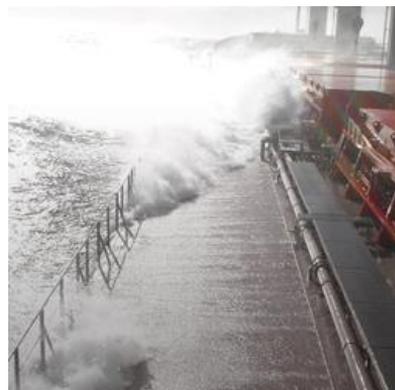


Cargotec Capital Markets Day

2013

Cargotec Capital Markets Day

2013



2 December
2013



Marine market pick-up and offshore expansion will boost MacGregor

Eric Nielsen
President, MacGregor

Capital Markets Day

MacGregor

1. **MacGregor overview**
2. Market environment
 - Merchant shipping
 - Offshore
3. Strategies and acquisitions
4. Conclusions

Strong market leadership positions

Merchant

#1



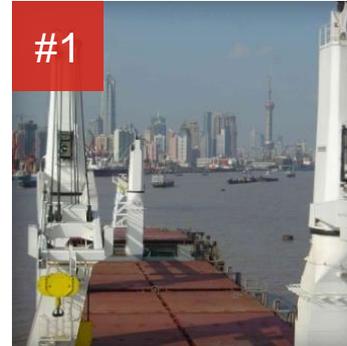
Hatch covers

#1



Container lashing

#1



Cranes and selfunloaders

#1



RoRo

Offshore

#2



Offshore advanced load handling

#2



Offshore winches

Services

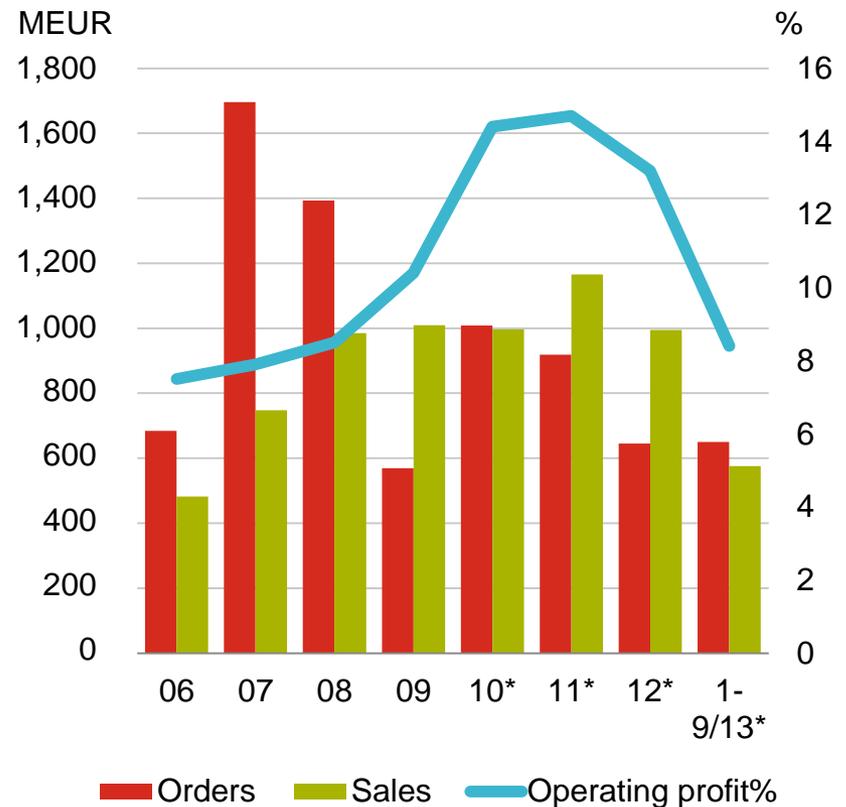


MacGregor – Overview of an industry leader

MacGregor – Summary facts

- Annual sales in range of EUR 800 million
 - 70% merchant
 - 30% offshore
- Close to customers and ship fleets
 - 55 sales offices
 - 61 service centres
- 50% of world's ships carry MacGregor equipment

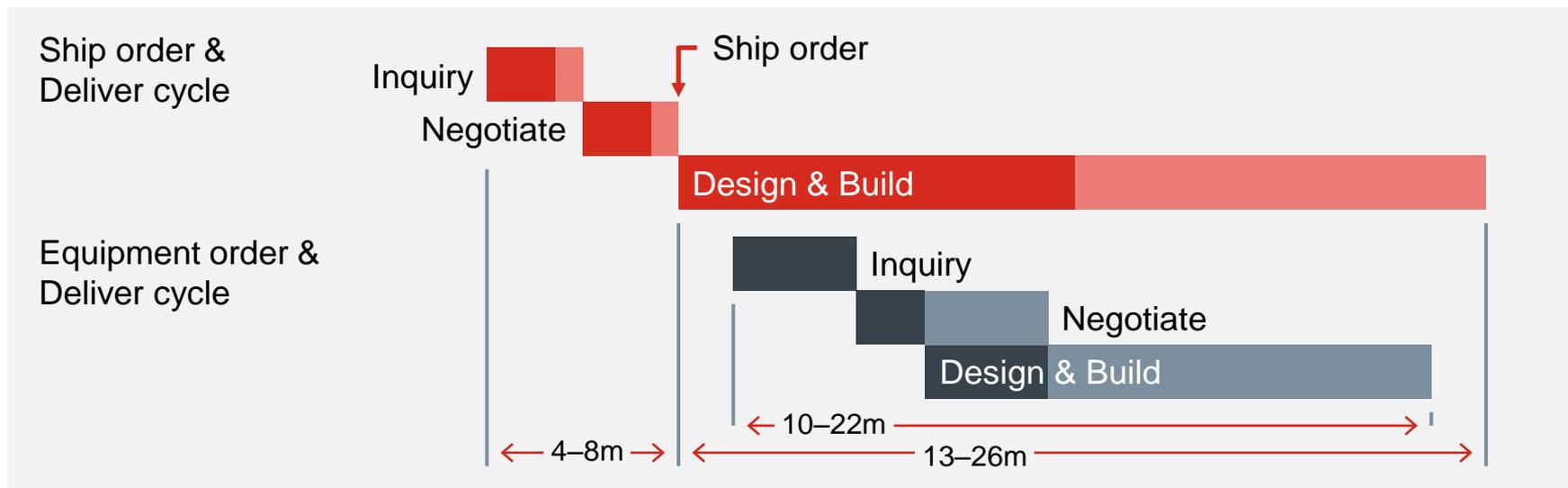
Strong financial track record



* excluding Bulk Handling business
Operating profit% excluding restructuring costs

What to expect from MacGregor in 2014

- Focus on larger systems sales
 - With increasing order lumpiness
- Greater emphasis on service
- Managing the lag between ship orders and equipment sales
- Increasing order rates for merchant and offshore
- Capturing Hatlapa synergies
 - Procurement
 - Cross-selling with MacGregor



Focus on integrated systems and solutions

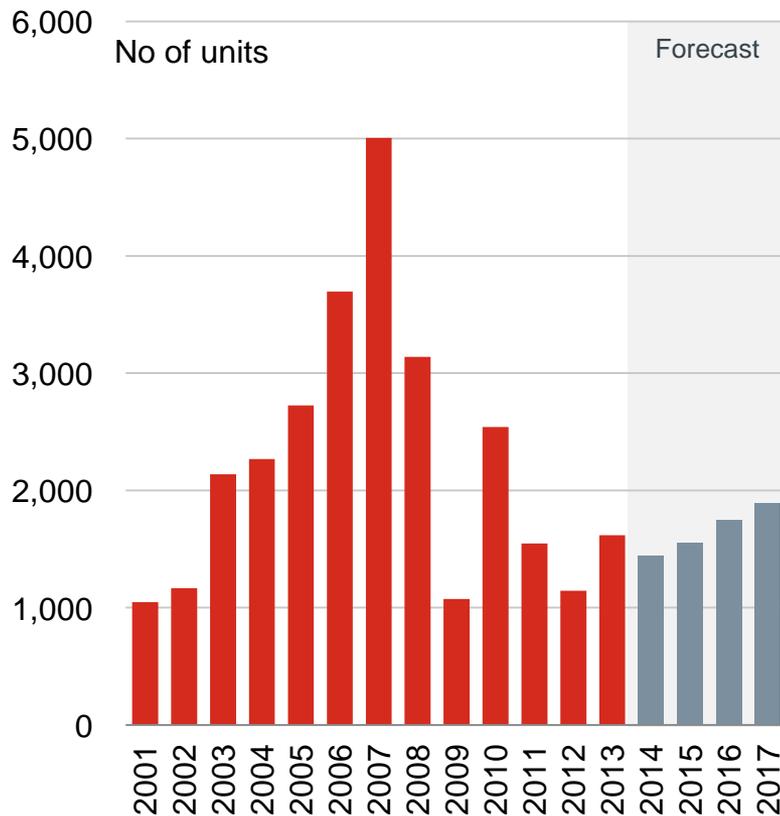
Comprehensive product coverage

		Cranes	Hatch covers	RoRo equipment	Offshore cranes	Winches	Mooring systems	Service	
Merchant ships	Bulk carrier	X	X			X		X	Customers
	Container ship	X	X			X		X	
	General cargo ship	X	X	X		X		X	
	Naval ship	X	X			X		X	
	RoRo ship	X	X	X		X		X	
	Tanker	X				X		X	
	Trans-loader	X	X			X		X	
Offshore ships	OFS subsea		X	X	X	X	X	X	Customers
	OFS AHTS				X	X	X	X	
	OFS tug					X	X	X	
	New ship types								

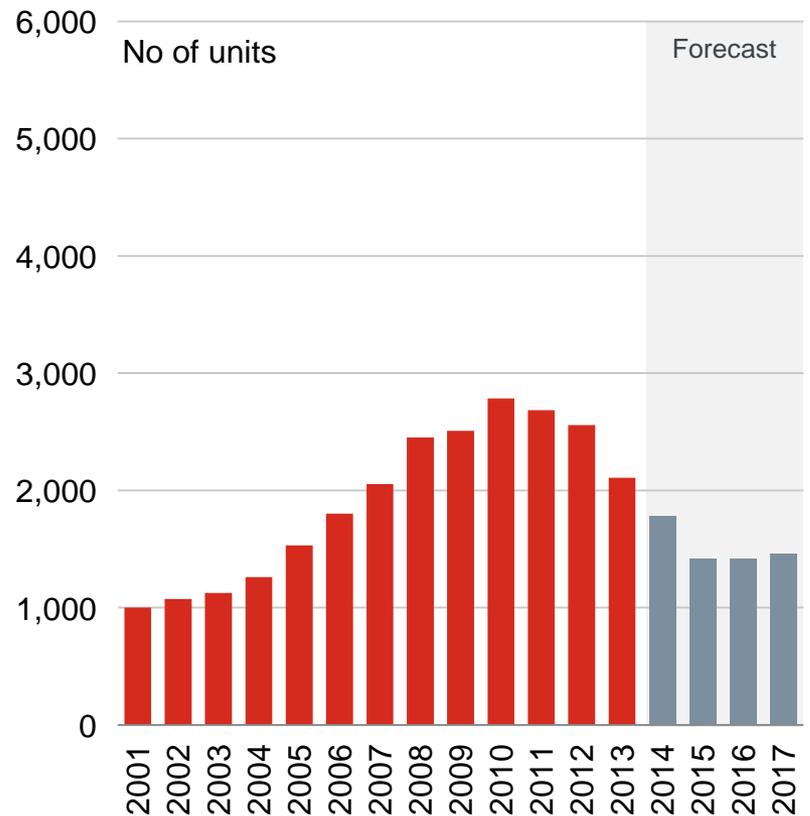
RoRo=roll-on/roll-off, OFS=offshore, AHTS=anchor handling, towing, supply

Merchant ship contracting forecast

Contracting 2001-2017



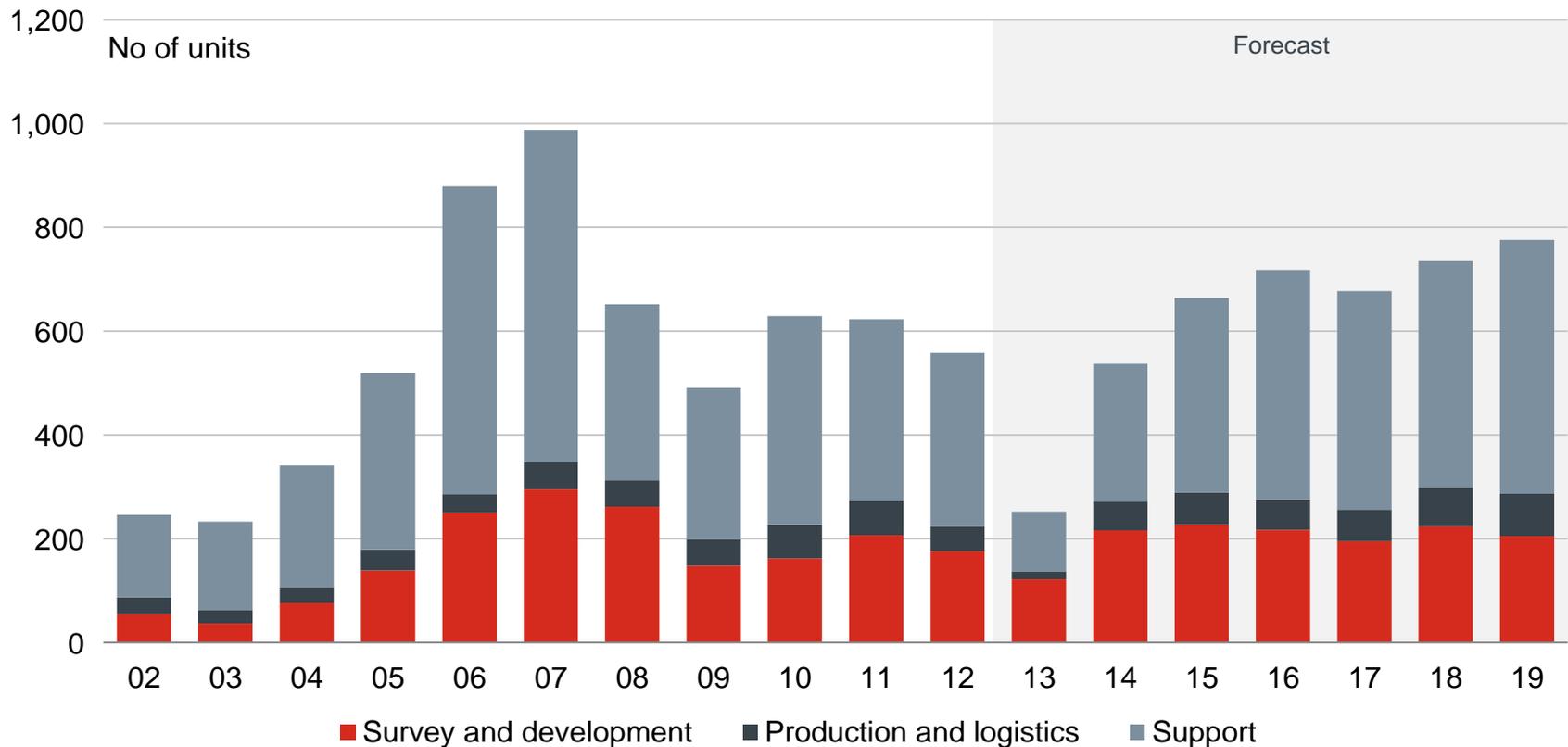
Deliveries 2001-2017



Source: Clarkson Shipbuilding forecast, September 2013

Offshore ship contracting forecast

Offshore contracting, historical and forecast contracting (no)



Source: Clarkson Offshore forecast, September 2013

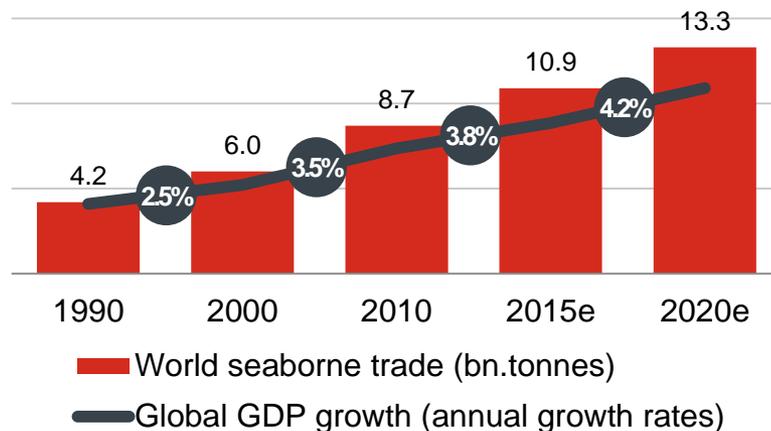
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MacGregor

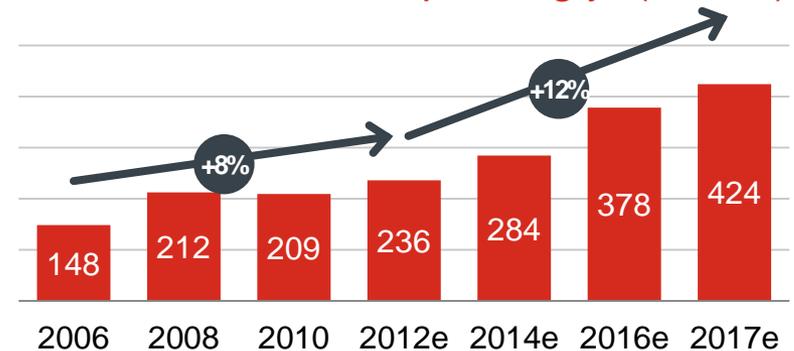
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Market megatrends – Favorable for merchant and offshore

World seaborne trade and global GDP



Global offshore E&P spending/yr (MUSD)



World population to increase 18% 2012 to 2030

Urbanisation increasing

Energy demand expected to grow in China & India

Field discoveries have increased in key markets

Subsea installation account for the majority of new field development

Deep sea environments driving demand for premium products

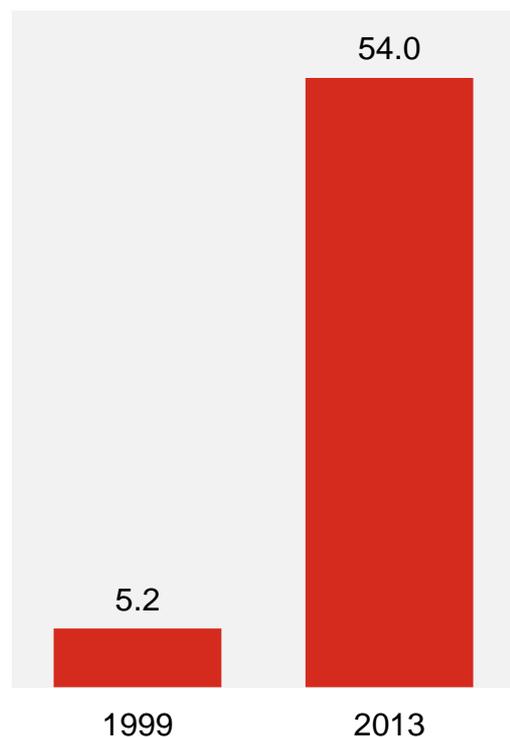
E&P=exploration & production

Source: Clarkson 2013, DNV Shipping 2020, EIA, OECD

Currently weak merchant shipping market is driving consolidations

Yards

Total DWTm capacity @top
10 shipyards



Trend

- European and weak Asian shipyards closing or being consolidated
- Large shipowners coordinating fleets

Implications

- Larger and more sophisticated buyers
- Financially stronger and more viable
- Potentially greater purchasing leverage
- Likely more open to strategic supplier partnerships and total cost of ownership rationale

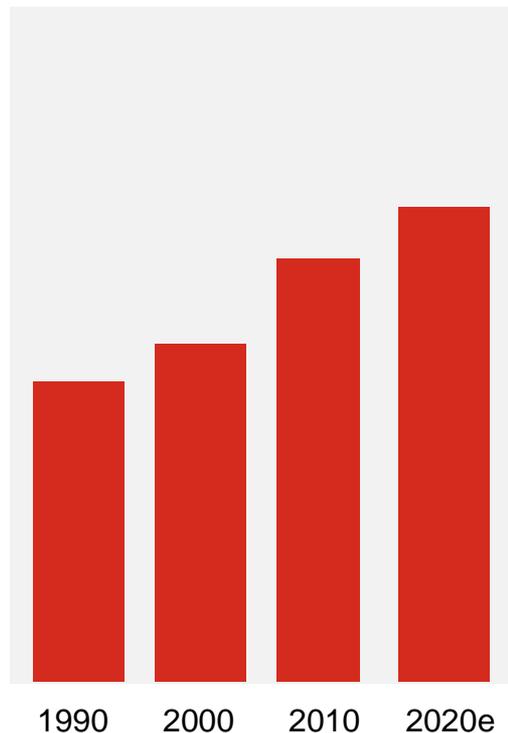
Response

- Focus on segment-specific value propositions
- Increased multi-level customer relationship management

Increased shipowner focus on operating costs and environmental matters

Vessels

Average vessel size, '000 gt



Trend

- Better fleet utilisation/management
- Greater adherence to environmental and safety compliance

Implications

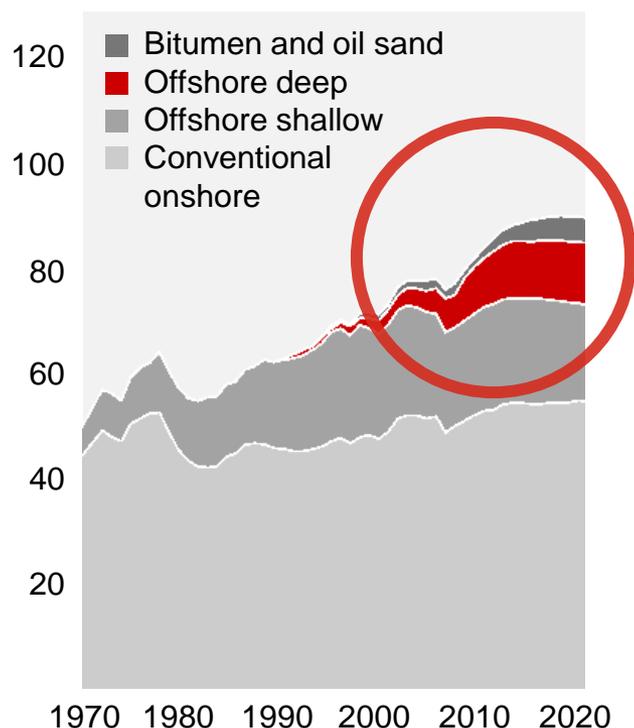
- Shift to larger ship sizes (Maersk 3E)
- Greater reliance on integrated and larger systems
- Higher rates of old fleet scrapping and conversions

MacGregor response

- Leverage existing technology skills
- Expand service offering to improve uptime
- Expand systems/solutions offering

Global oil and gas demand is pushing the offshore frontier to new limits

Global oil production (M barrels per day)



Trend

- Greater need for equipment in deepwater applications and extreme weather environments

Implications

- Requires higher levels of lifting capacity and advanced control systems
- Increased emphasis on both reliability and durability
- Uptime is critical

MacGregor response

- Leverage Hatlapa and Pusnes expertise
- Expand service offering

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MacGregor

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Profitable growth driven by 5 key strategies

External focus

Develop new technologies, products and services

- Enhanced lifecycle / Service offering
- Integrated systems
- Offshore mooring systems
- Deepwater load handling

Expand / Develop in key geographies

- China
- Korea
- Gulf of Mexico

Expand / Develop into new industries and applications

- Offshore

Internal focus

Deploy best practice business excellence tools

- Common processes
- Common systems ERP, CRM

Deploy best practice governance model

- Process-based
- Asset-light
- Focused service activities

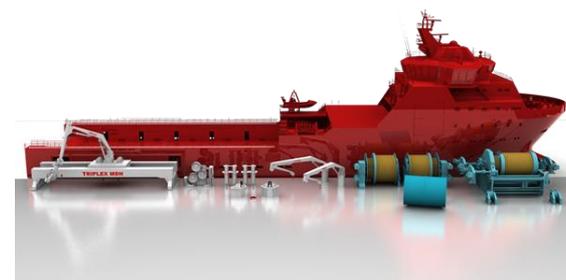
Hatlapa strengthens merchant and offshore offering

- Attractive deal structure
 - Enterprise value of EUR 160 million
- Annual revenue of ~EUR 120 million
 - 75% merchant
 - 25% offshore
- Expands product coverage in key categories
 - Merchant and offshore winches
 - Offshore automated deck handling (Triplex MDH)
 - Support equipment
- Supports expansion of integrated systems sales
 - Cross selling with MacGregor and Pusnes merchant ship equipment and offshore load handling and mooring equipment
- ~585 new team members bring strong application and customer knowledge
 - Merchant ship winch operations
 - Deepwater automated load handling
 - Service



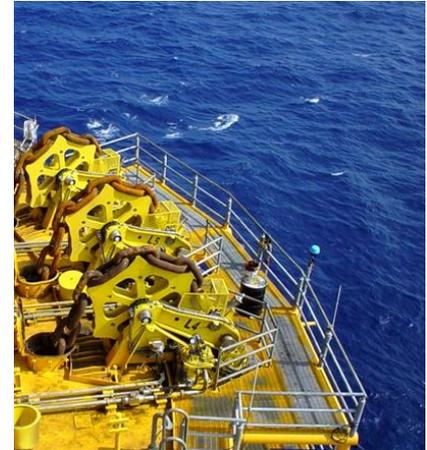
Mooring winches

Hatlapa offshore package



Pusnes solidifies offshore product portfolio

- Attractive deal structure
 - Enterprise value of ~EUR 180 million
 - Subject to regulatory approvals
- Annual revenue of ~EUR 130 million
 - 25% merchant
 - 75% offshore
- Expands product coverage in key offshore categories
 - Offshore mooring and loading systems
- Supports expansion of integrated systems sales
 - Combined offshore package sales with MacGregor and Hatlapa offshore load handling and mooring equipment
 - Broadening geographical presence in merchant ship
- ~370 new team members bring deep application and customer knowledge
 - Deep water, harsh environment mooring and load handling
 - Service



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Conclusions

- **Leadership position** in both the merchant and offshore equipment markets
- **Proven track record** of understanding and responding to market changes
- **Clear strategies** to move forward
 - Continue to develop innovative technologies
 - Fully integrate and leverage Hatlapa and Pusnes
 - Expand our service offering and capabilities

Well positioned for profitable growth



