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20 July 2017

Favourable development in profitability

Cargotec's January – June 2017 half year report

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Highlights of Q2 2017 – Operating profit* improvement continued

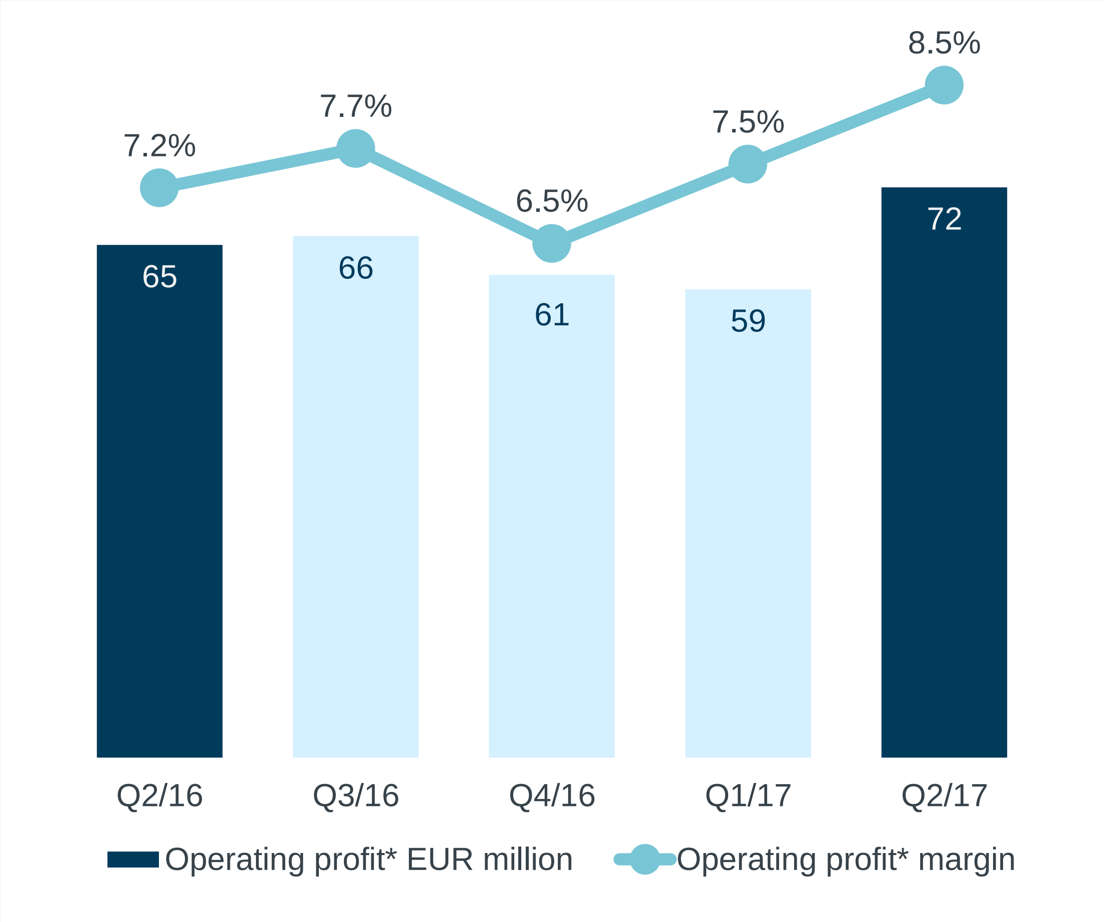
Cargotec's operating profit* margin improved

- Profitability improved in Hiab and Kalmar
- MacGregor profitability at last year's level

Orders received increased in Hiab, declined in MacGregor and Kalmar

Service and software sales 31% (28%) of total sales at EUR 259 (255) million

- Software sales growth +26%



*) Excluding restructuring costs

Market environment in H1 2017

Growth in number of containers handled at ports accelerated

Strong interest for efficiency improving automation solutions

- Customers' decision making is slow

Construction activity on good level

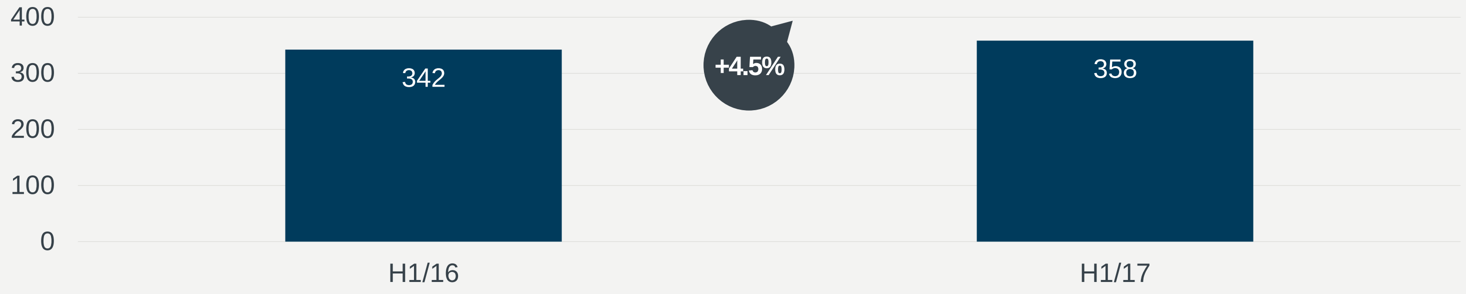
- Good development continued in Europe and the US

Marine cargo handling equipment market still weak

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

Global container throughput (MTEU) – Key driver for Kalmar

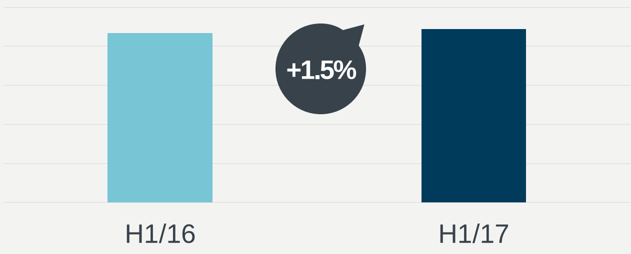
Source: Drewry



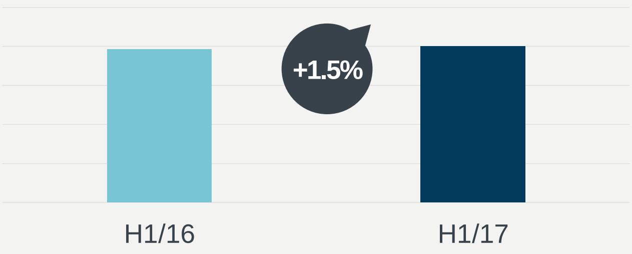
Construction output – Key driver for Hiab

Source: Oxford Economics

United States



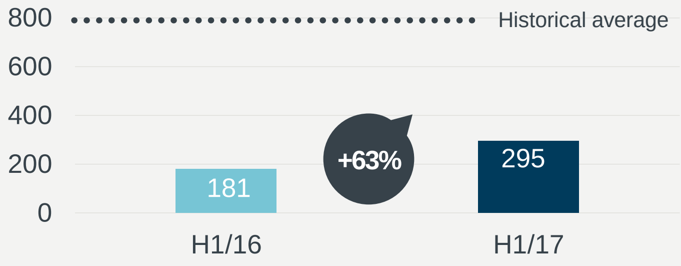
Europe



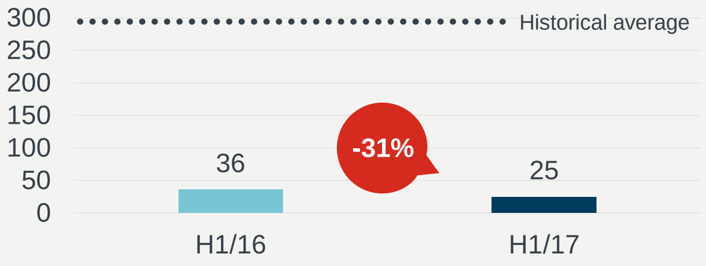
Long term contracting – Key driver for MacGregor

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

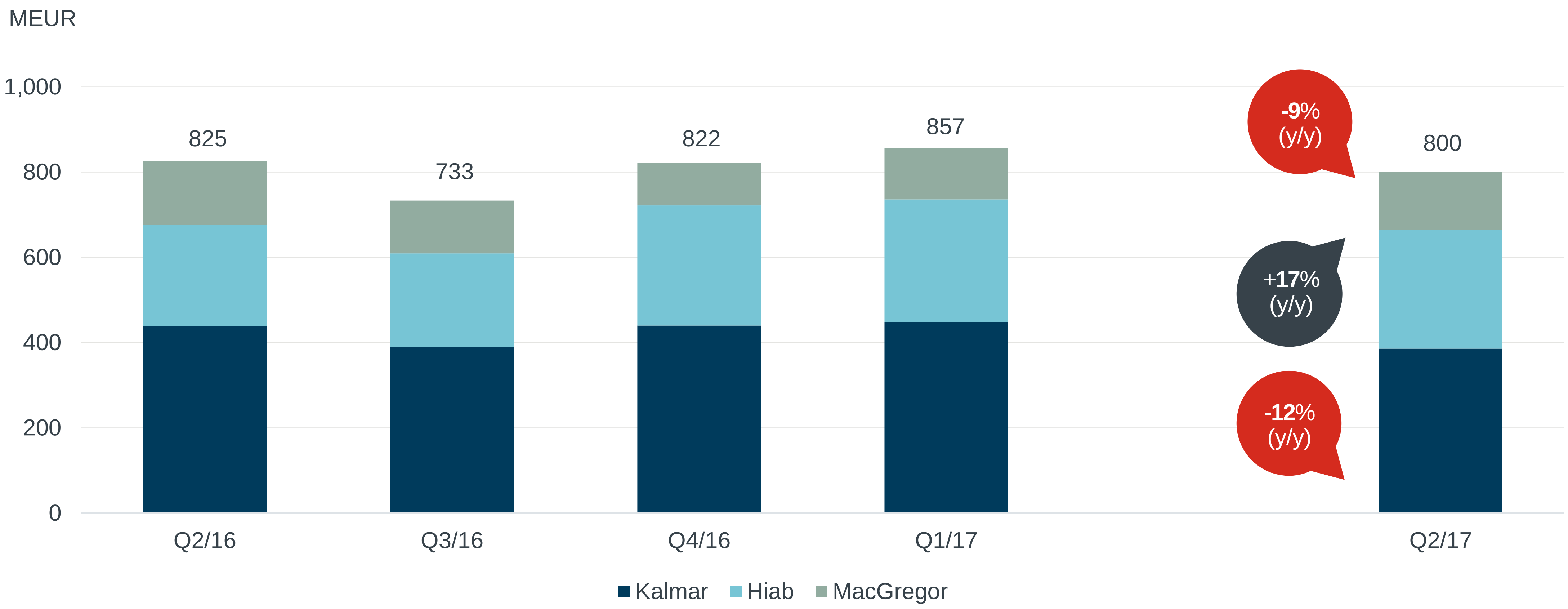
Merchant ships > 2,000 gt (excl. ofs & misc)



Mobile offshore units

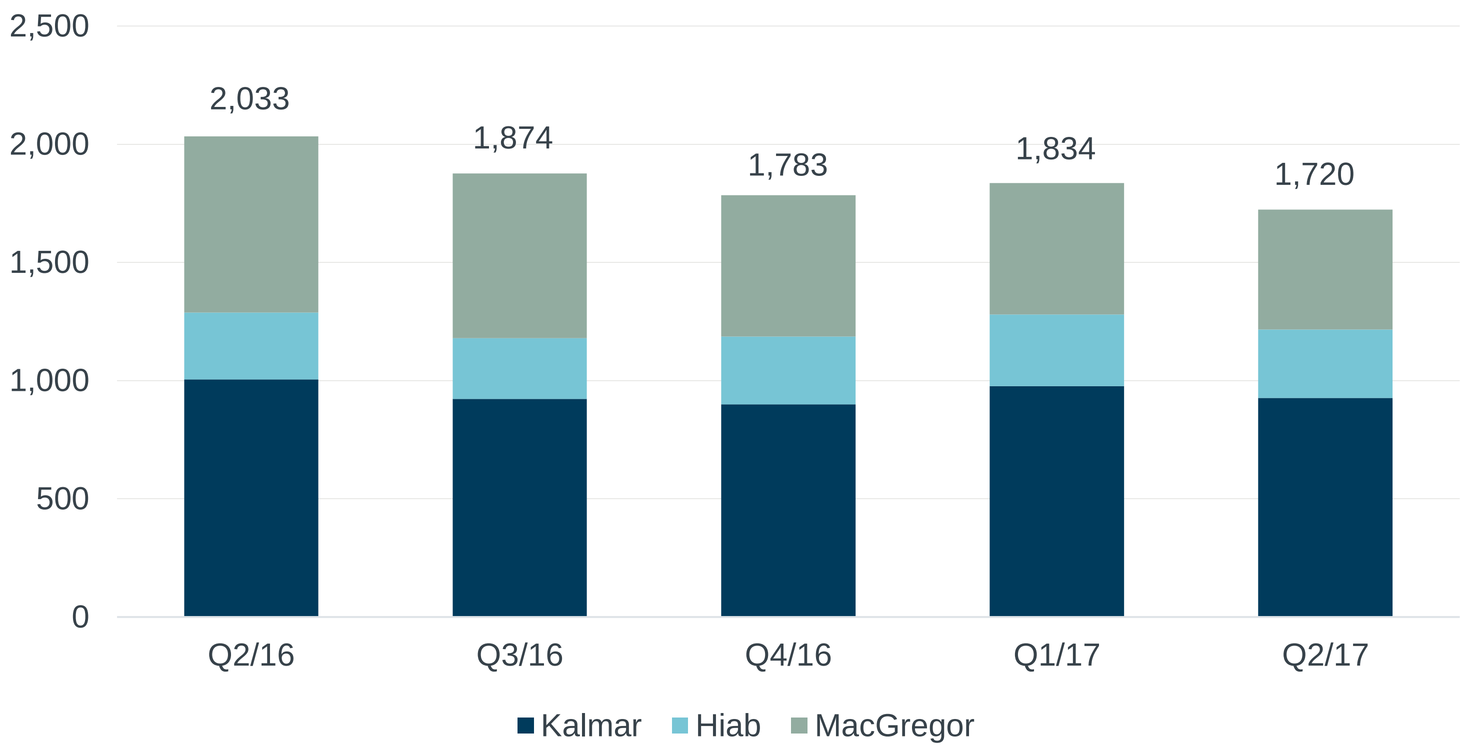


Orders received: Strong increase for Hiab

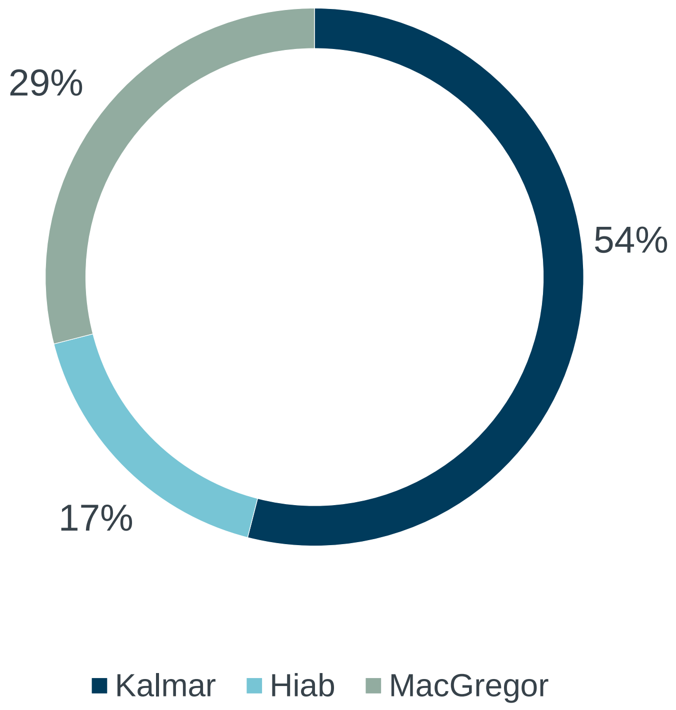


Order book declined

Order book
MEUR

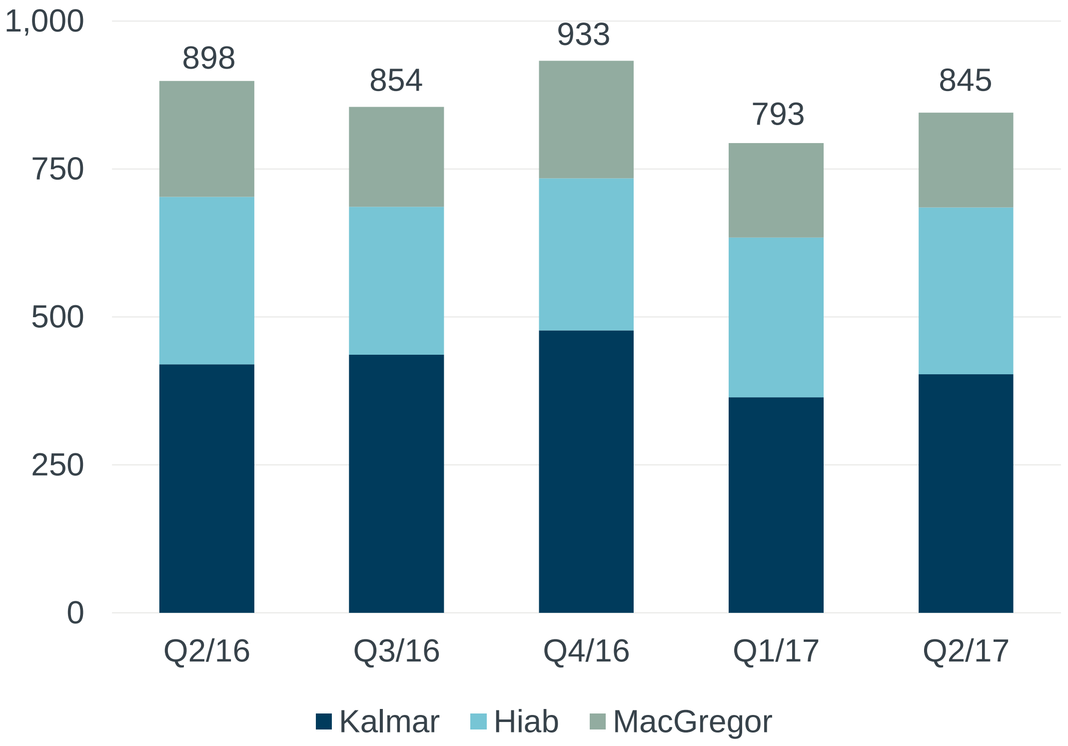


Order book by reporting segments, Q2 2017

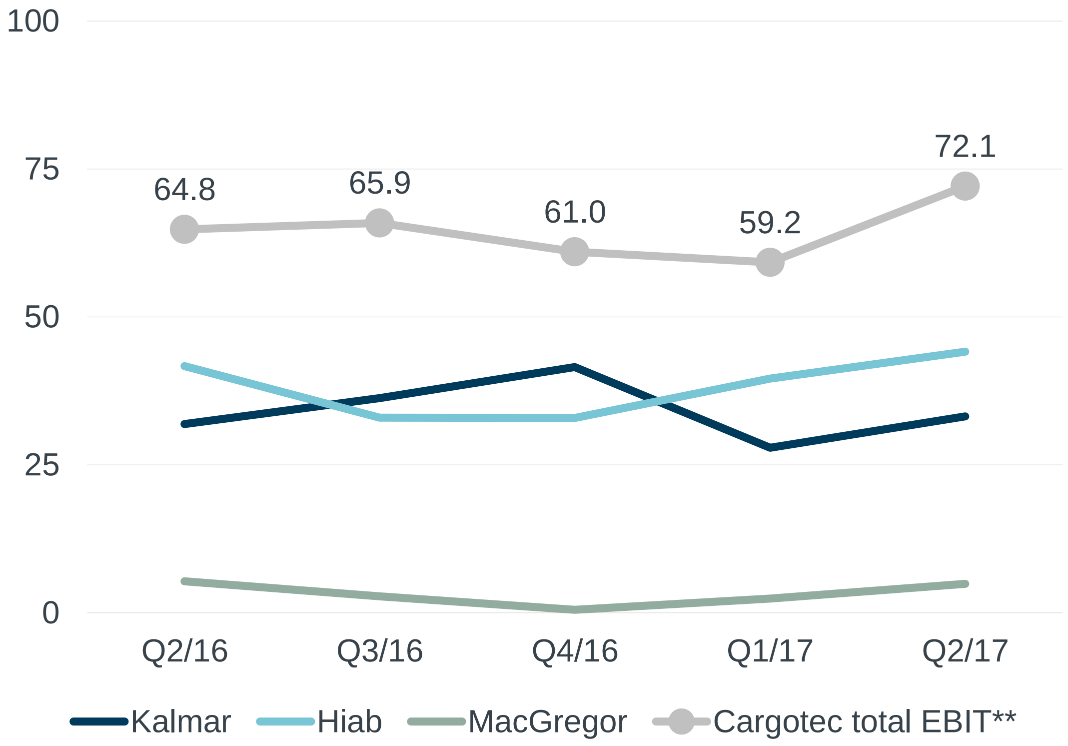


Strong improvement in operating profit* despite sales decline

Sales
MEUR

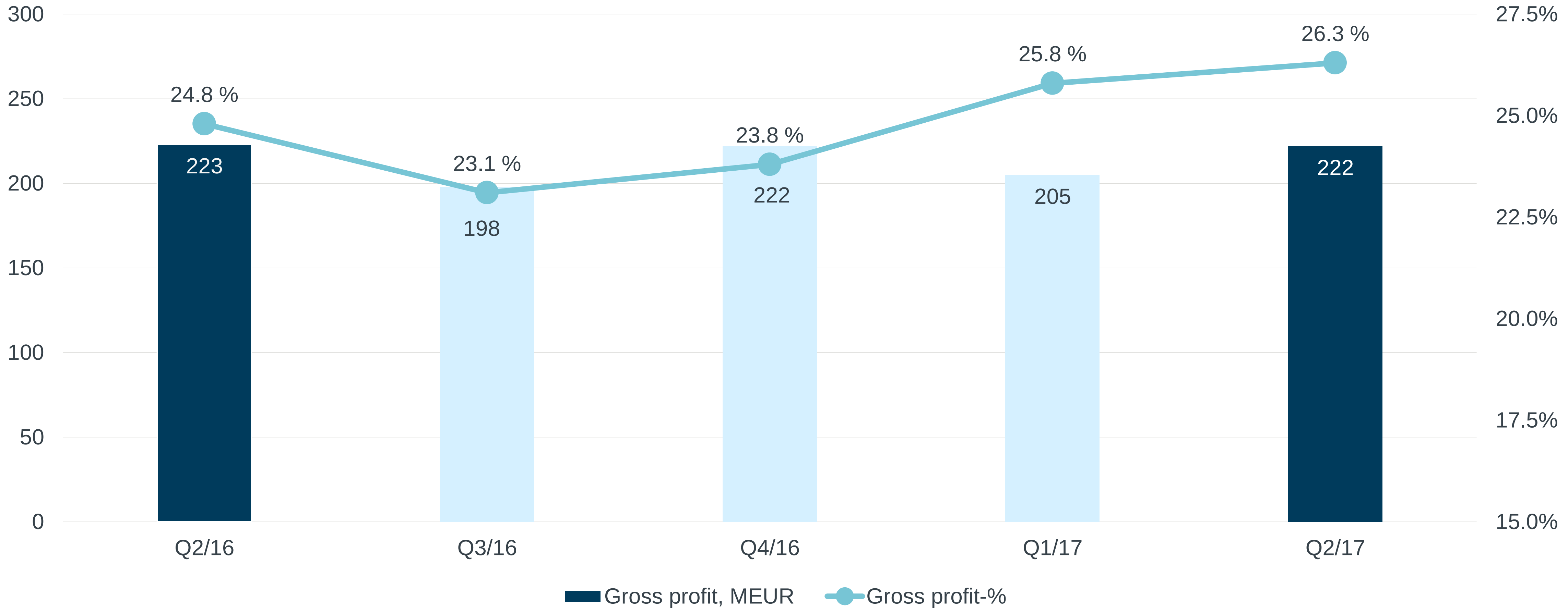


Operating profit*
MEUR



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

Gross profit margin improved y-o-y



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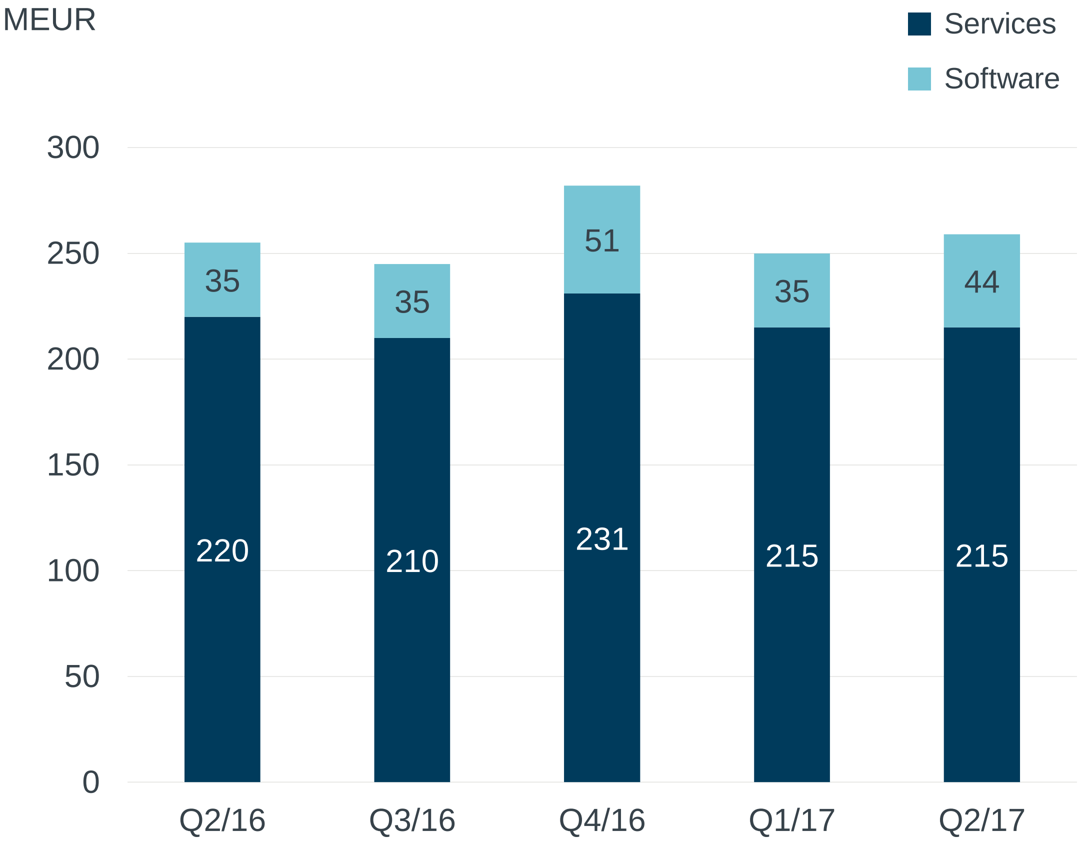
Software sales increased strongly

Services and software* sales

MEUR

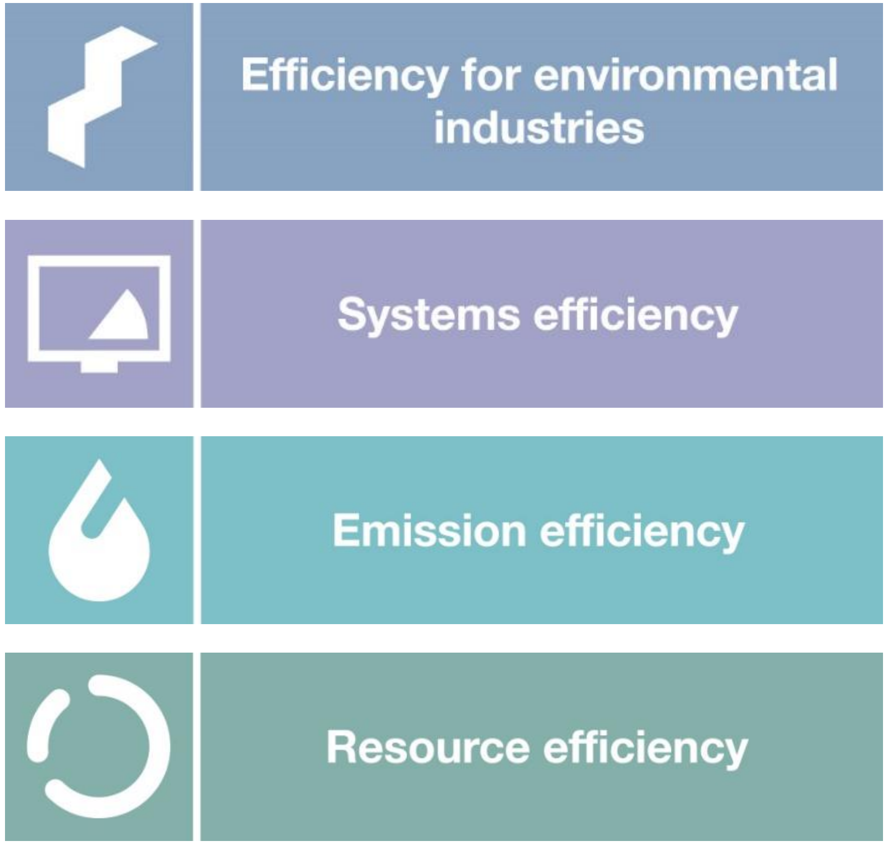


*Software sales defined as Navis business unit and automation software

- Software business grew 26%
  - Strong licensing revenues from Navis TOS
- Service sales declined 2% in Q2/17
  - Increase in Kalmar (1%), Hiab at last year's level
  - Decline in MacGregor (-10%)
- Services and software 31% (28%) of Cargotec's sales in Q2/17

Recent development in corporate responsibility

- Cargotec offering for eco-efficiency was audited by DNV GL
- Cargotec was awarded with Gold recognition from a global rating company Ecovadis
  - Ecovadis assesses organisations against environmental, social and ethical criteria



Business areas

Cargotec's half year report 2017

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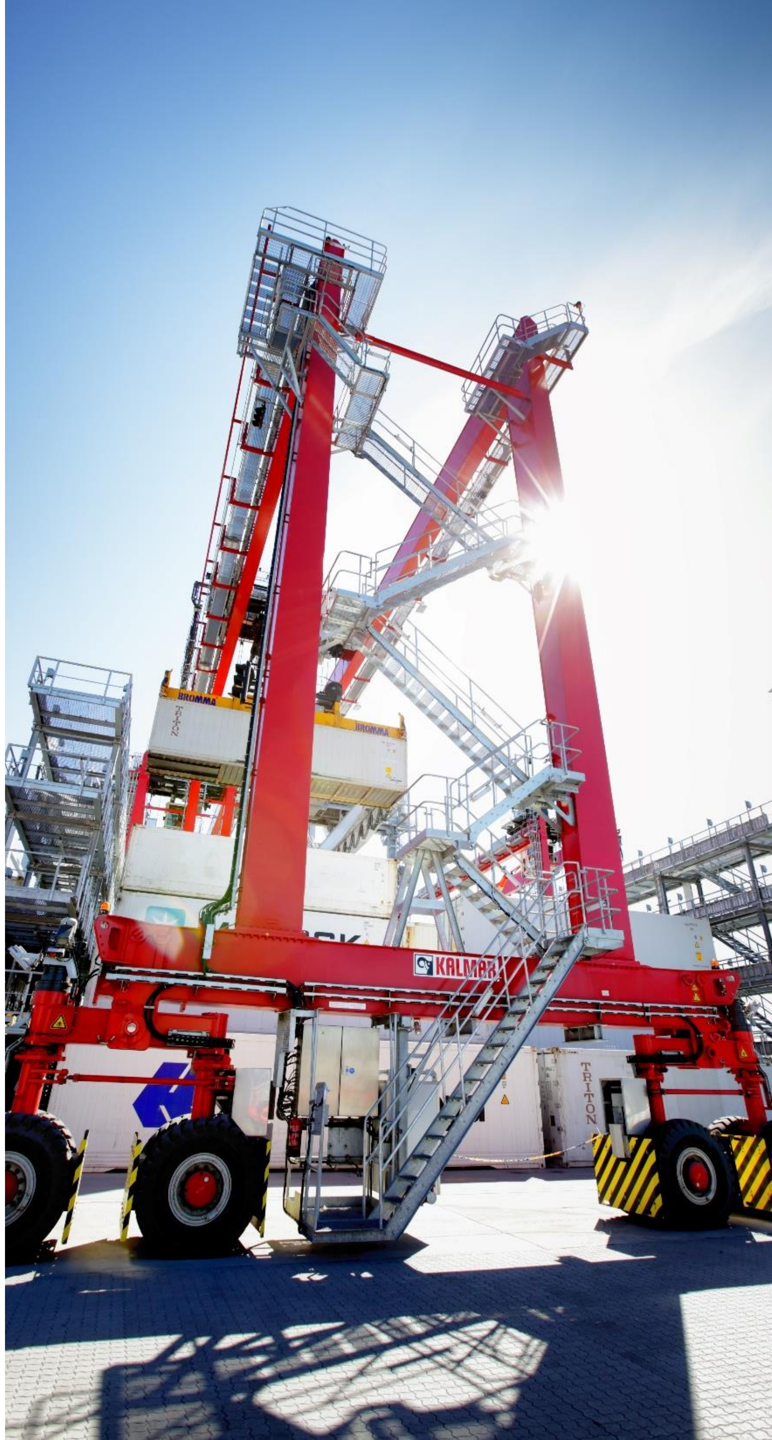
Kalmar Q2 – Profitability improved

- Orders received decreased in APAC and Americas
  - Good development in Navis, decline in large projects
  - Comparison period includes a large crane upgrade order
- Order book declined
- Software sales +26%, service sales at last year’s level
- Profitability impacted positively by more favourable mix (software, service) and higher profitability in project business

MEUR	Q2/17	Q2/16	Change
Orders received	**386**	438	-12%
Order book	**926**	1,005	-8%
Sales	**403**	420	-4%
Operating profit*	**33.2**	31.9	+4%
Operating profit margin*	**8.2%**	7.6%	

*) Excluding restructuring costs



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Hiab Q2 – Record high operating profit margin, strong orders received

- Orders received grew in all regions
  - Strong growth in loader cranes and demountables
- Sales remained at last year's level both in services and equipment
- Operating profit improvement driven by new products and slightly lower fixed costs

MEUR	Q2/17	Q2/16	Change
Orders received	**279**	239	+17%
Order book	**290**	283	+2%
Sales	**282**	283	0%
Operating profit*	**44.1**	41.7	+6%
Operating profit margin*	**15.6%**	14.7%	

*) Excluding restructuring costs

MacGregor Q2 – Profitability* at last year's level

- Orders received increased in EMEA and Americas and decreased in APAC
  - 12% increase from Q1/17 in orders received due to large single order
  - Growth in advanced offshore solutions and RoRo
- Net sales declined in all divisions
- Profitability maintained at last year's level

MEUR	Q2/17	Q2/16	Change
Orders received	**136**	149	-9%
Order book	**507**	745	-32%
Sales	**160**	196	-18%
Operating profit*	**4.9**	5.3	-9%
Operating profit margin*	**3.0%**	2.7%	

*) Excluding restructuring costs

Cost savings programmes proceeding

- From 2020 onwards savings of EUR 50 million
  - Indirect procurement EUR 30 million
  - Business Services operations EUR 20 million
- 2017 EUR 25 million (MacGregor)
  - EUR 7 million savings in Q2/17
- EUR 13 million in 2018 (Kalmar)
  - Relocation of assembly operation
- Product redesign and project management improvement continues in 2017

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Financials and outlook

Cargotec's January–June 2017 half year report

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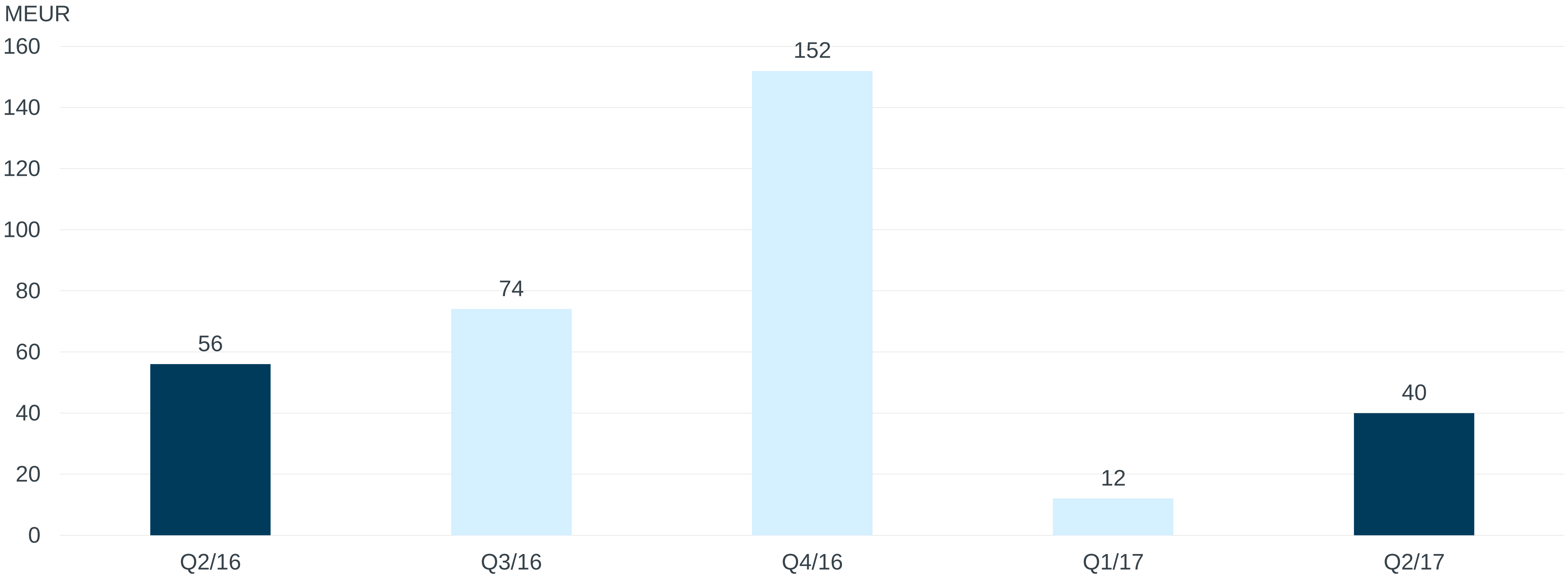
Key figures – Operating profit* increased

	4–6/17	4–6/16	Change	1–6/17	1–6/16	Change
Orders received, MEUR	800	825	-3%	1,657	1,728	-4%
Order book, MEUR	1,720	2,033	-15%	1,720	2,033	-15%
Sales, MEUR	845	898	-6%	1,638	1,727	-5%
Operating profit*, MEUR	72.1	64.8	+11%	131.3	123.3	+6%
Operating profit*, %	8.5	7.2		8.0	7.1	
Restructuring costs, MEUR	11.7	2.3		14.6	3.1	
Operating profit, MEUR	60.4	62.6	-3%	116.7	120.2	-3%
Operating profit, %	7.2	7.0		7.1	7.0	
Earnings per share, EUR	0.58	0.63	-7%	1.15	1.23	-7%
Earnings per share, EUR**	0.72	0.65	+10%	1.32	1.27	+4%

*) Excluding restructuring costs

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

Cash flow from operations burdened by lower advance payments and higher working capital needs in Kalmar



Successful refinancing in Q2

Net debt EUR 599 million (31 Dec 2016: 503)

- Average interest rate 2.2% (2.4%)
- Net debt/EBITDA 2.2 (2.1)

Total equity EUR 1,401 million (1,397)

- Equity/total assets 41.1% (39.1%)

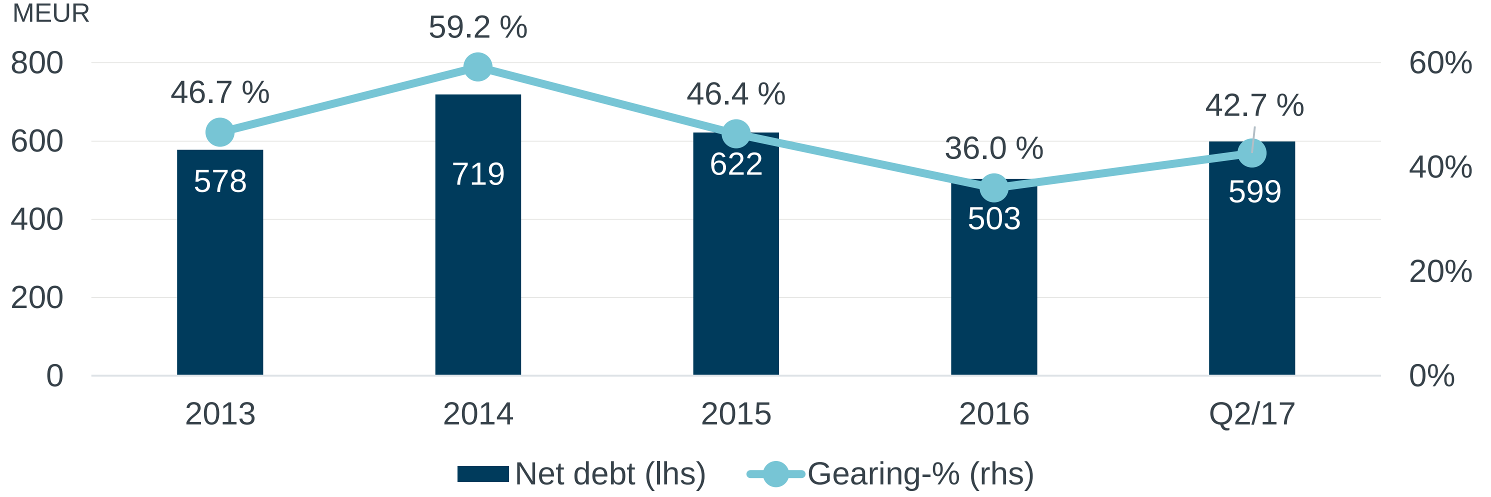
Well diversified loan portfolio:

- Bonds EUR 464 million
- Bank loans EUR 307 million
- EUR 300 million revolving credit facility refinanced in Q2/17, the facility is fully undrawn

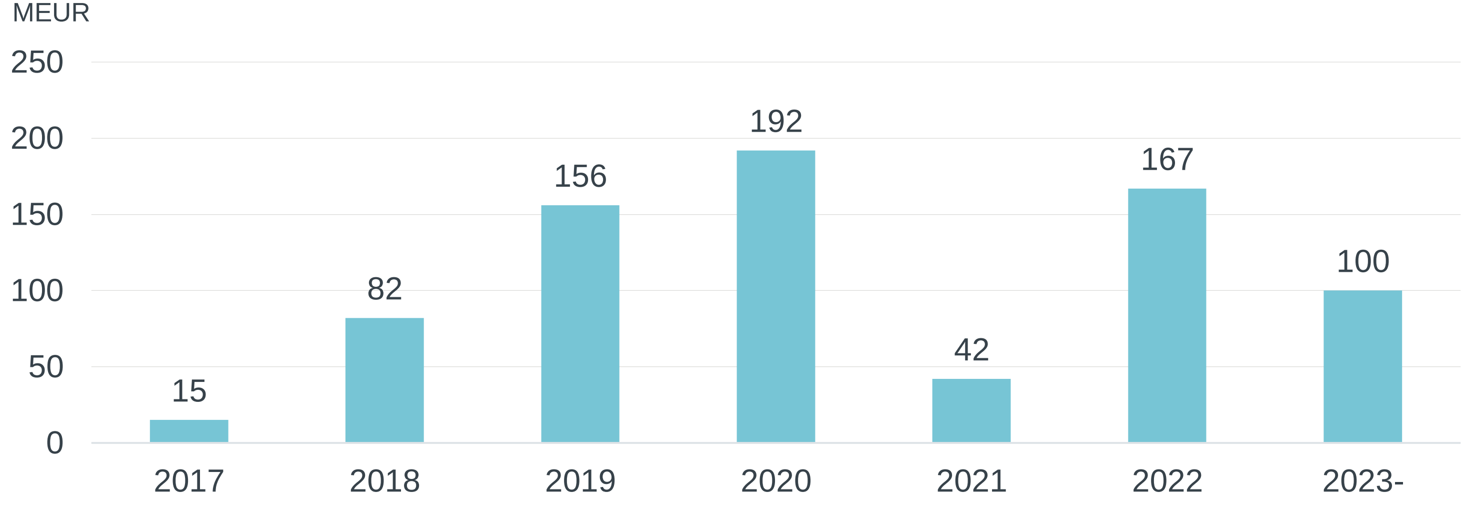
Balanced maturity profile

- EUR 15 million loans maturing in 2017

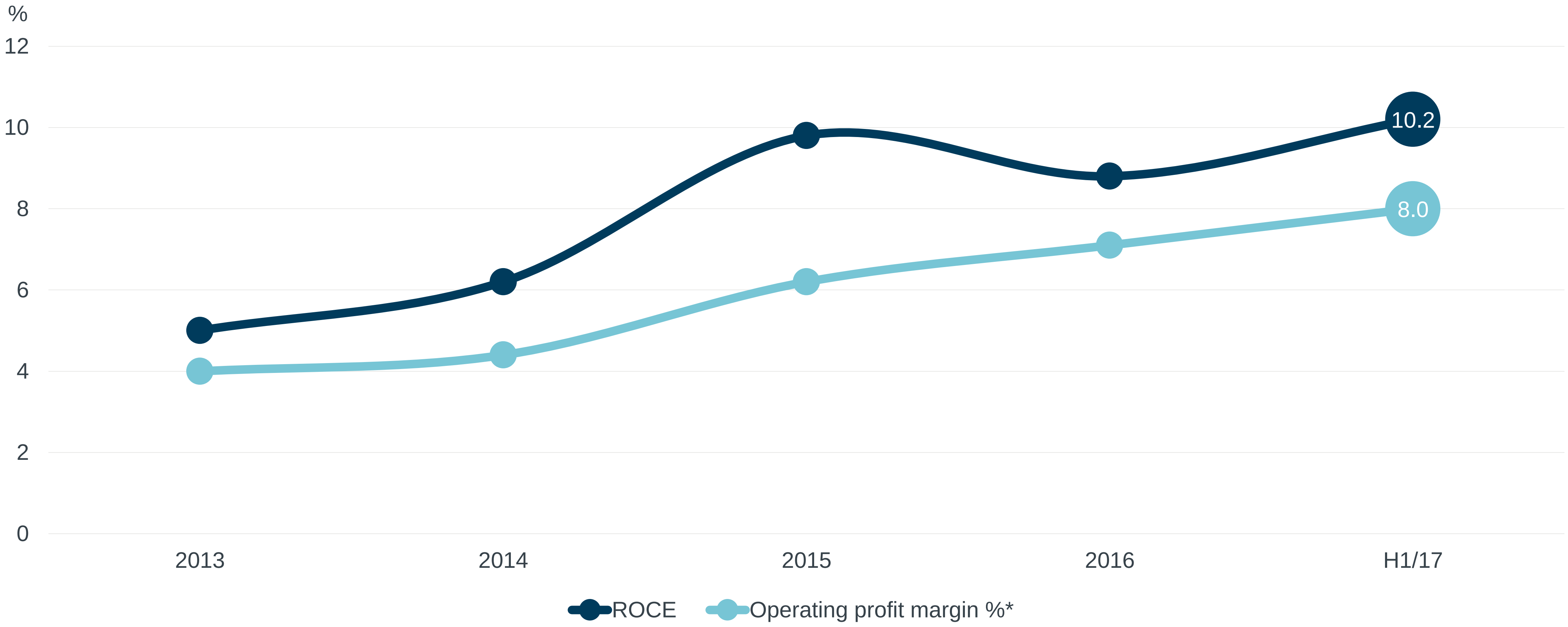
Net debt and gearing



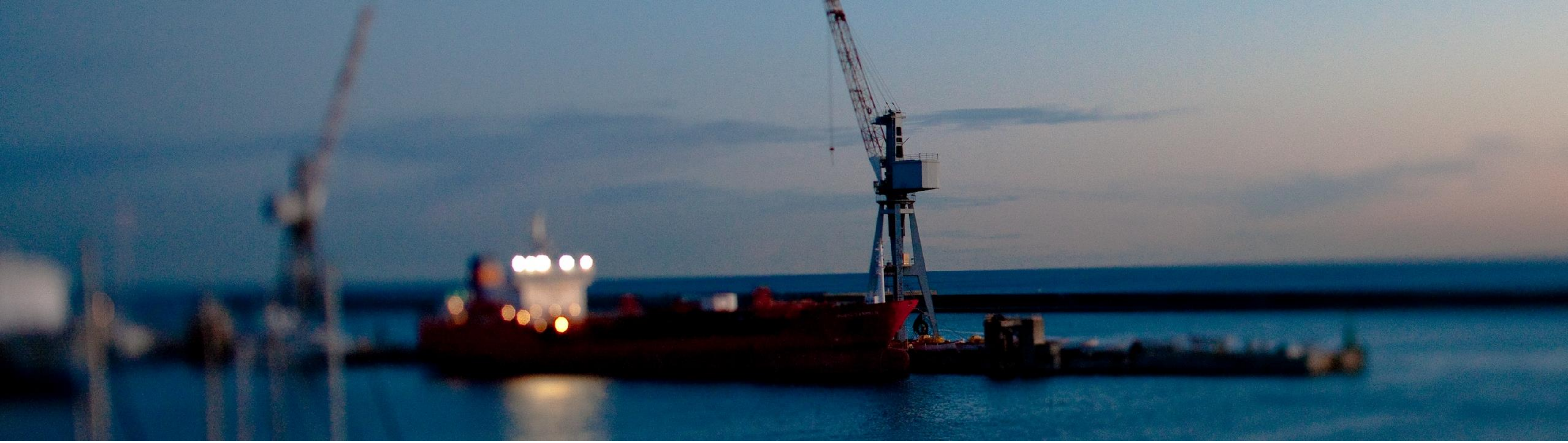
Maturity profile



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)

Welcome to Cargotec's Capital Markets Day

London, 12 September 2017

Register by 29 August 2017 at cargotec.com/investors

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