

January–June 2016 interim report

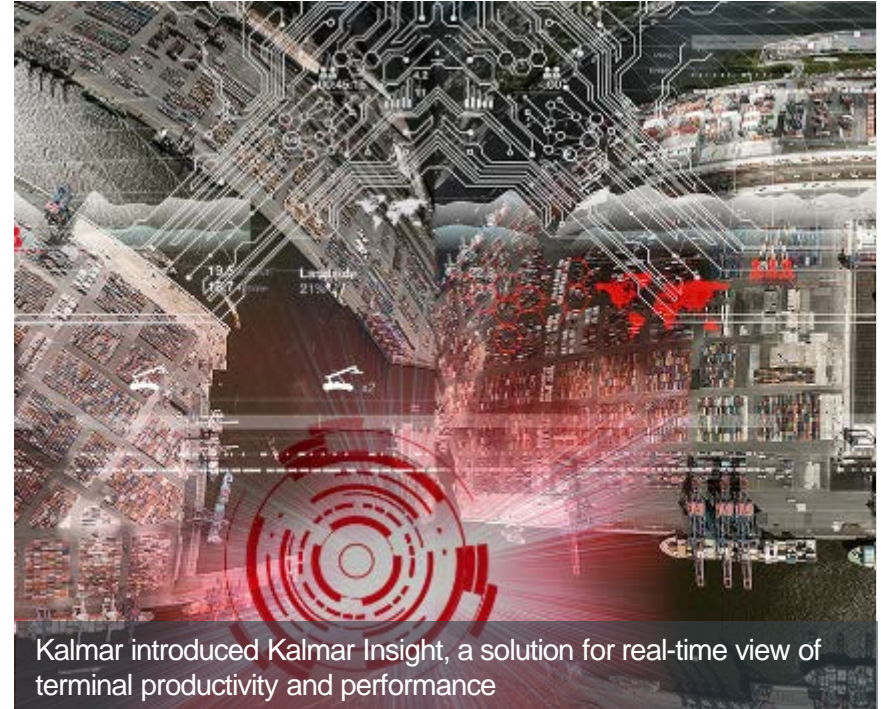
20 July 2016

Mika Vehviläinen, CEO
Mikko Puolakka, CFO

Second quarter highlights

- Profitability improved in Kalmar and Hiab, market situation in MacGregor still challenging
- Order book EUR 2,033 (31 Dec 2015: 2,064) million, orders received at EUR 825 (887) million
- Sales declined 4% y-o-y to EUR 898 (936) million
- Operating profit excluding restructuring costs was EUR 64.8 (58.0) million or 7.2 (6.2) percent of sales
- Earnings per share up by 47%
- Cash flow from operations at EUR 55.8 (101.3) million, gearing was 45.5%
- Service orders increased 12% y-o-y

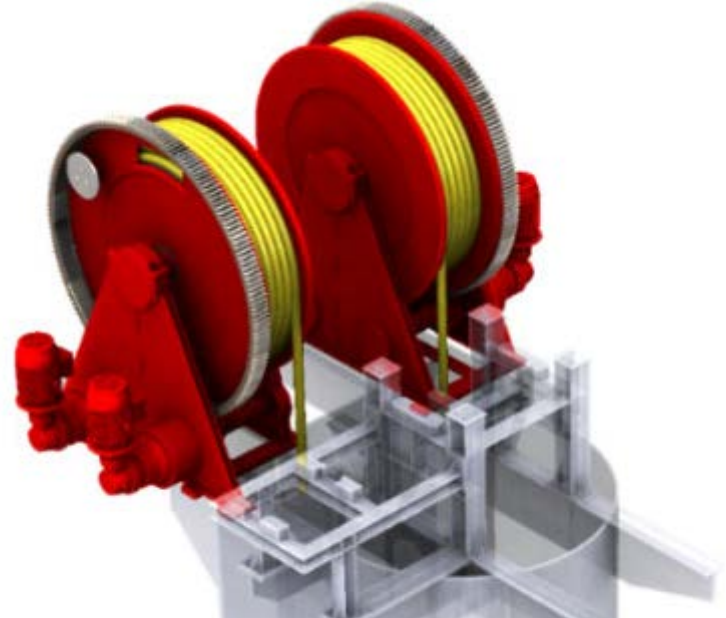
Q2 events



Market environment in January-June

- Despite the slower container throughput growth, the market for container handling equipment and for port automation solutions was active.
- Strong construction activity continued in the US, supporting demand for load handling equipment. In Europe, activity levels still varied between countries. Demand for services was healthy.
- Market for marine cargo handling equipment remained weak. Demand for marine cargo handling equipment for RoRo and special vessels was healthy. Demand for offshore load handling solutions was low. Demand for services was satisfactory.

Q2 events



MacGregor supplies highly-specialised winches for a pilot project to generate electricity from waves.

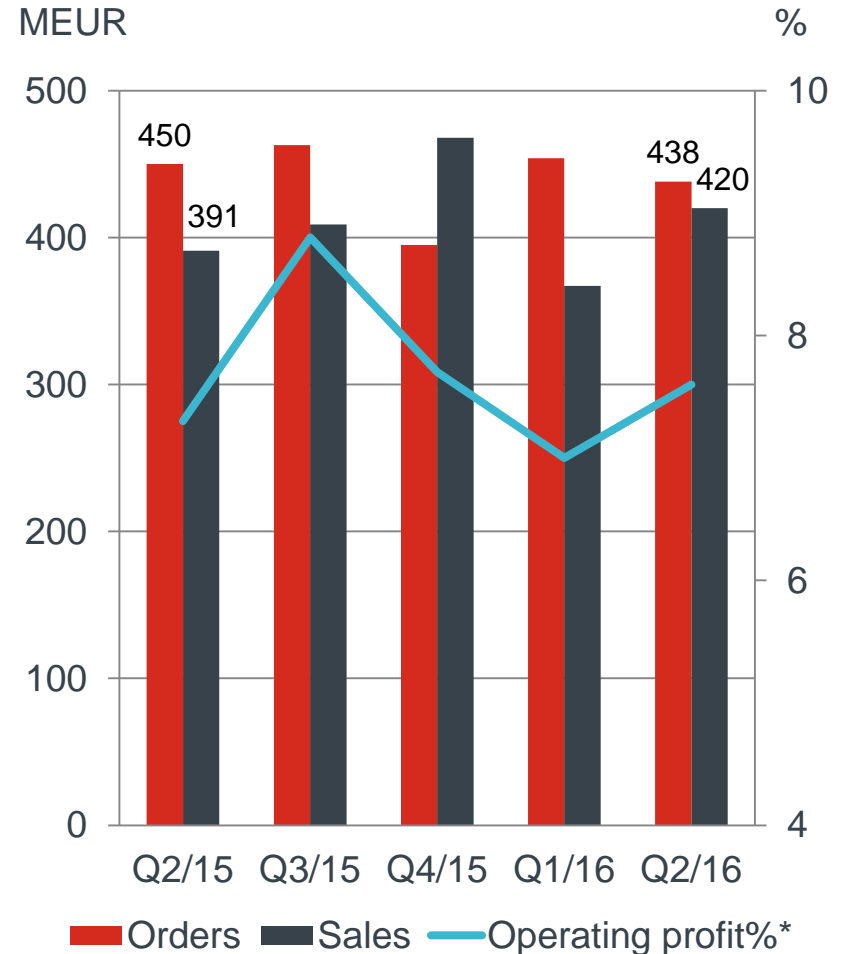
January–June key figures

	4-6/16	4-6/15	Change	1-6/16	1-6/15	Change	2015
Orders received, MEUR	825	887	-7%	1,728	1,826	-5%	3,557
Order book, MEUR	2,033	2,342	-13%	2,033	2,342	-13%	2,064
Sales, MEUR	898	936	-4%	1,727	1,825	-5%	3,729
Operating profit, MEUR*	64.8	58.0	12%	123.3	110.3	12%	230.7
Operating profit margin, %*	7.2	6.2		7.1	6.0		6.2
Cash flow from operations, MEUR	55.8	101.3		146.6	152.8		314.6
Interest-bearing net debt, MEUR	619	735		619	735		622
Earnings per share, EUR	0.63	0.43		1.23	0.99		2.21

*excluding restructuring costs

Kalmar Q2 – improved profitability

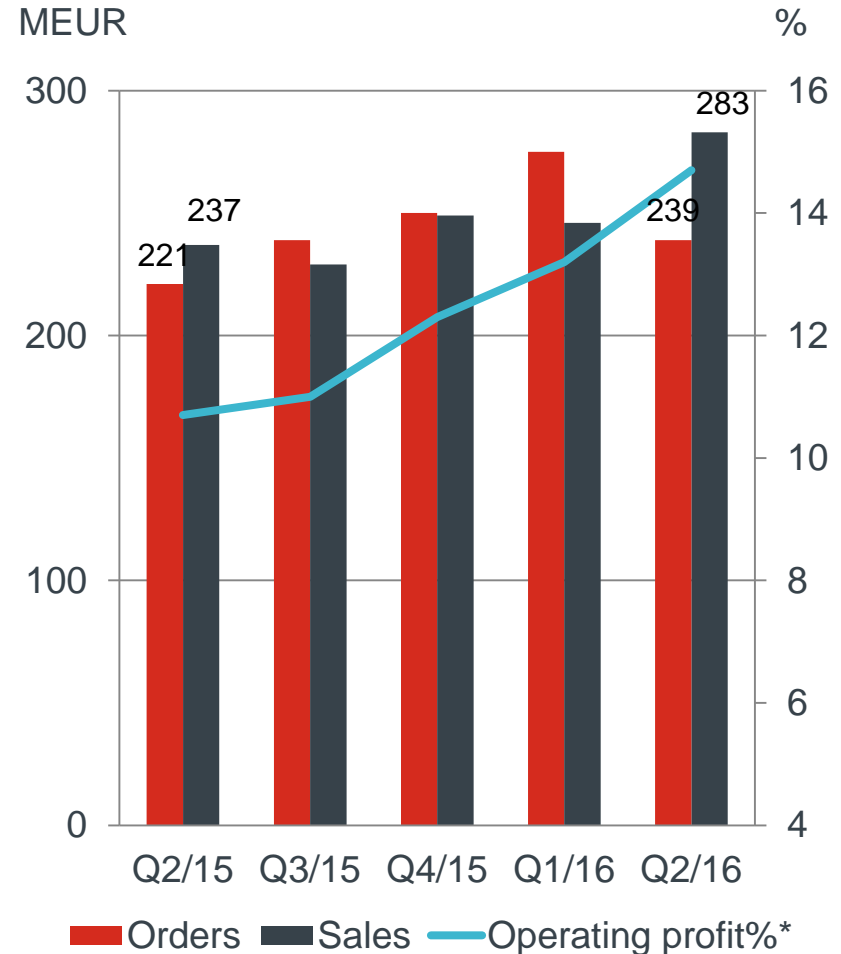
- Order intake decreased slightly from the comparison period and was EUR 438 (450) million
- Order book strengthened 15% from 2015 year-end level
- Sales grew 7% y-o-y to EUR 420 (391) million
- Profitability excluding restructuring costs was 7.6% (7.3%)
- Profitability improvement measures and new products have had a positive effect on result; however, increased investments in research and product development lessen the effect.



*excluding restructuring costs

Hiab Q2 – strong profitability

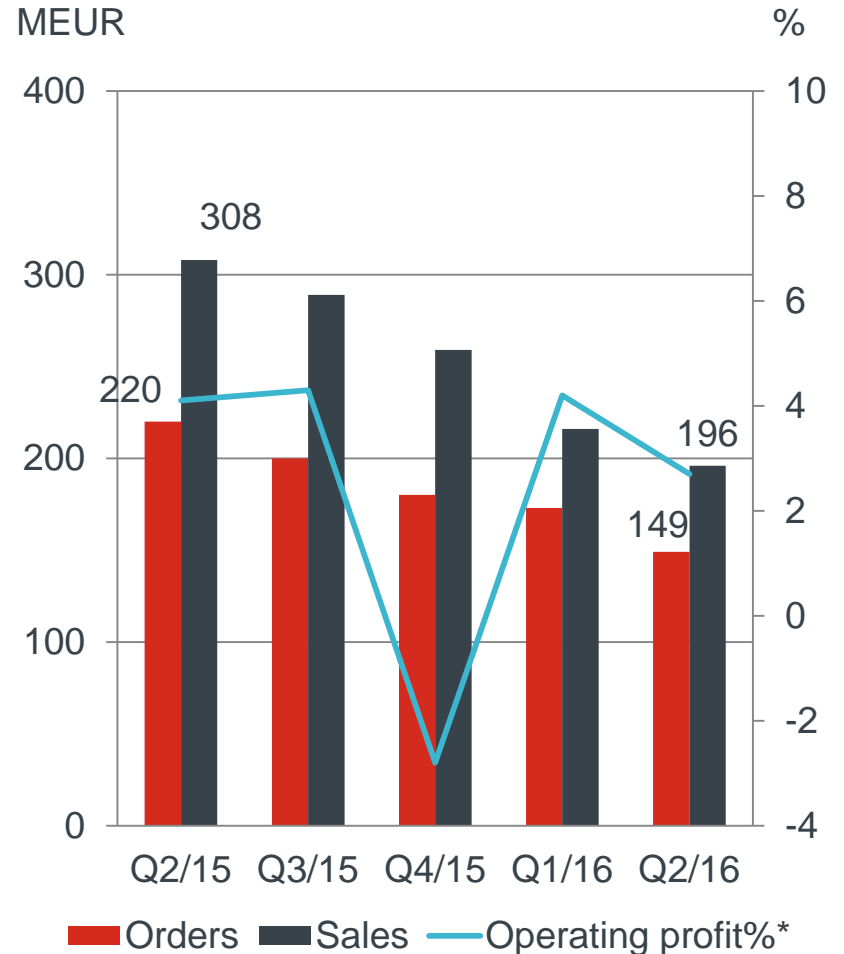
- Order intake strengthened by 8% and was EUR 239 (221) million
- Order book decreased 7% from 2015 year-end to EUR 283 million
- Sales grew 19% y-o-y to EUR 283 (237) million
- Profitability excluding restructuring costs was 14.7% (10.7%)
- Volume growth, improvements in delivery capability, profitability improvement measures and investments in more competitive products contributed to profitability improvement



*excluding restructuring costs

MacGregor Q2 – challenging market situation continued

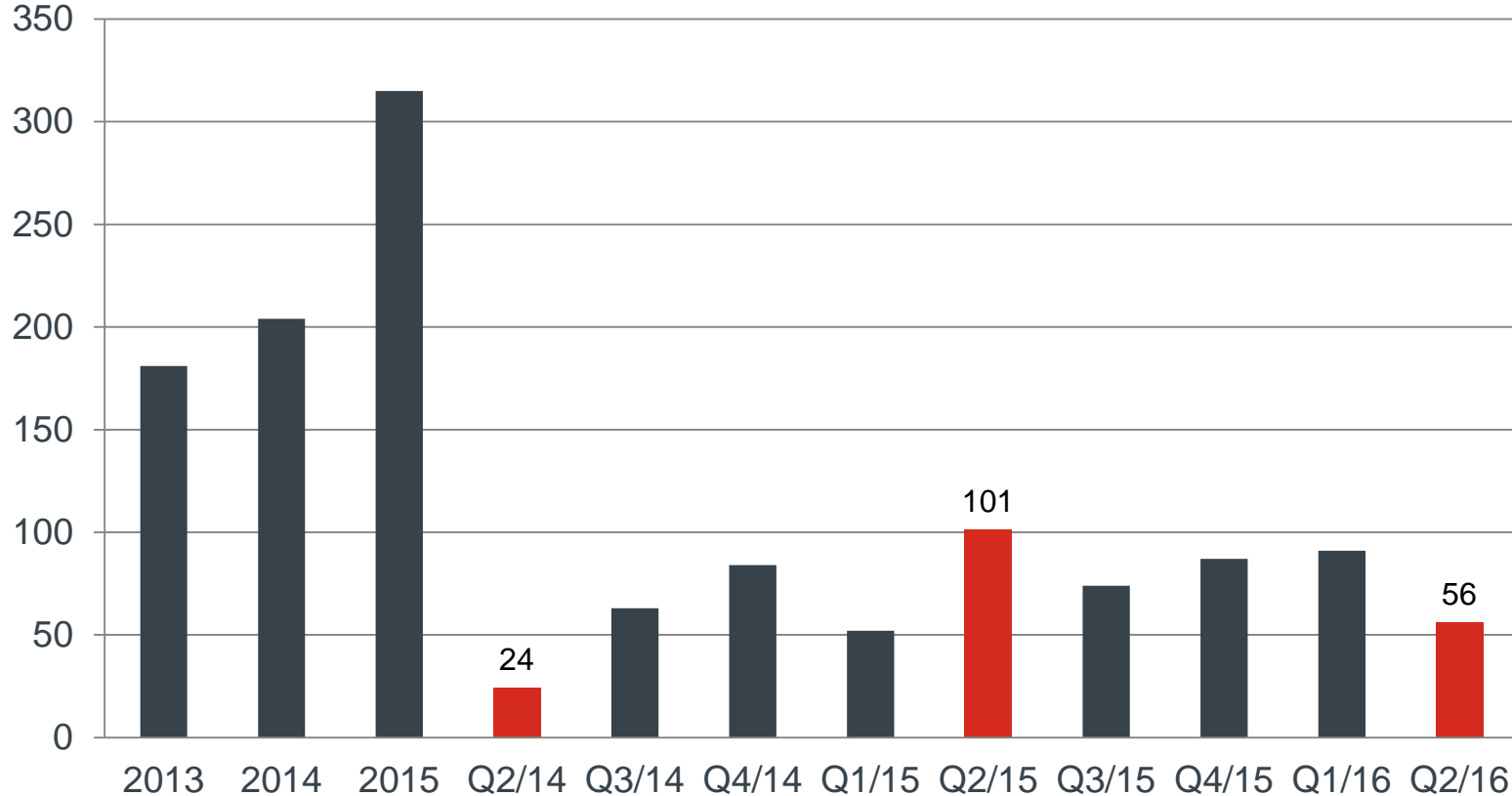
- Order intake declined 32% and was EUR 149 (220) million
- Order book decreased 16% from 2015 year-end to EUR 745 million
- Sales declined 37% y-o-y to EUR 196 (308) million
- Profitability excluding restructuring costs was 2.7% (4.1%)
- New measures to lower the cost level have already been started



*excluding restructuring costs

Cash flow from operations healthy

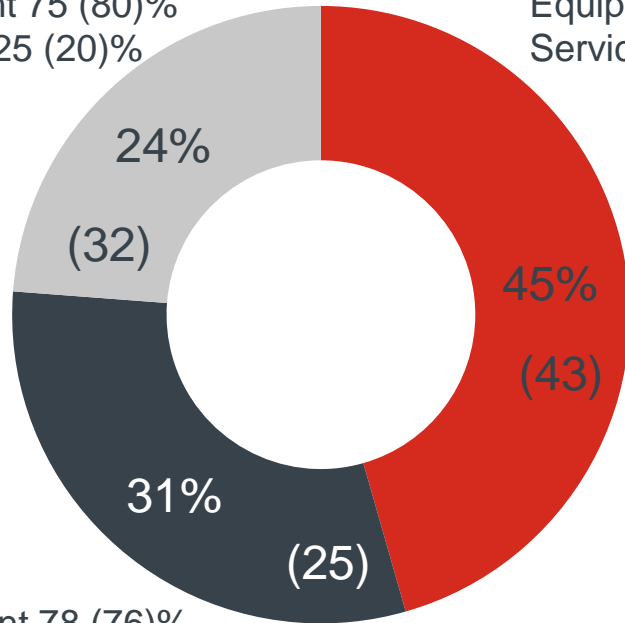
MEUR



Hiab's share increasing in sales mix

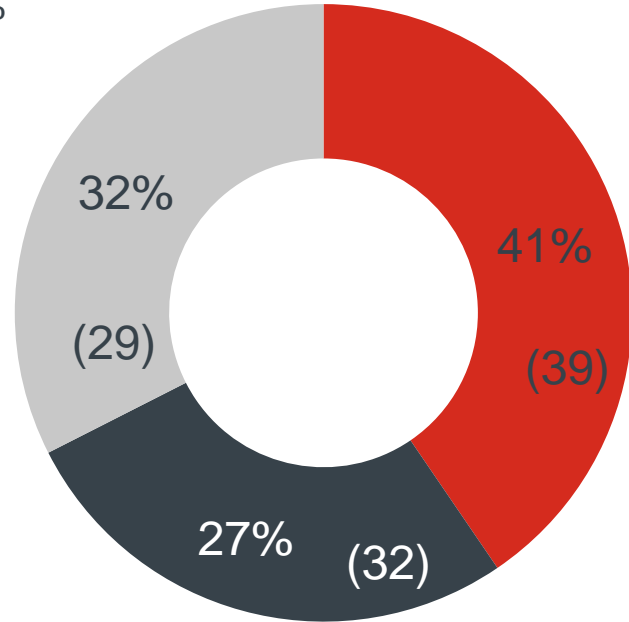
Sales by reporting segment 1–6/2016, %

Equipment 75 (80)%
Services 25 (20)%



Sales by geographical segment 1–6/2016, %

Equipment 73 (73)%
Services 27 (27)%



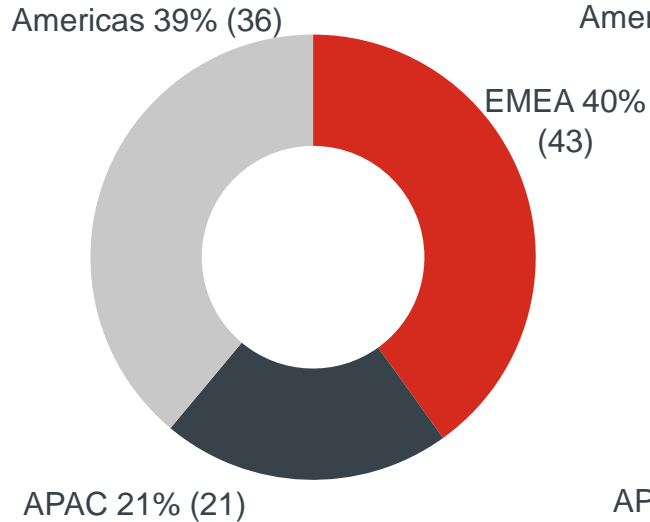
Equipment 78 (76)%
Services 22 (24)%

■ Kalmar ■ Hiab ■ MacGregor

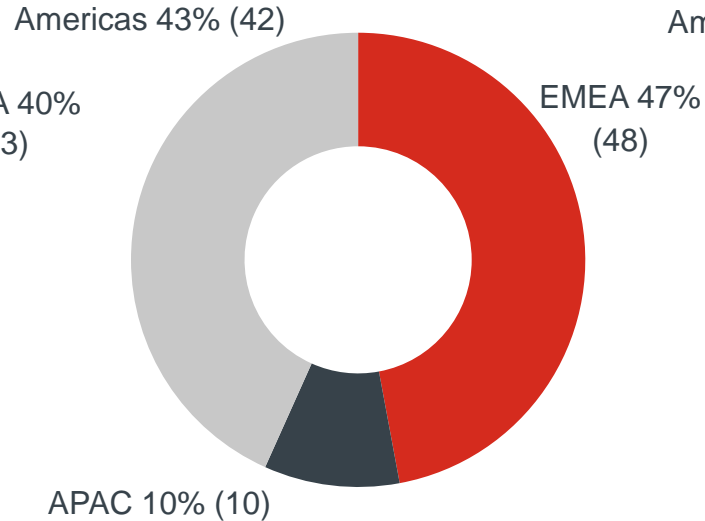
■ EMEA ■ APAC ■ Americas

Sales by geographical segment by business area 1–6/2016

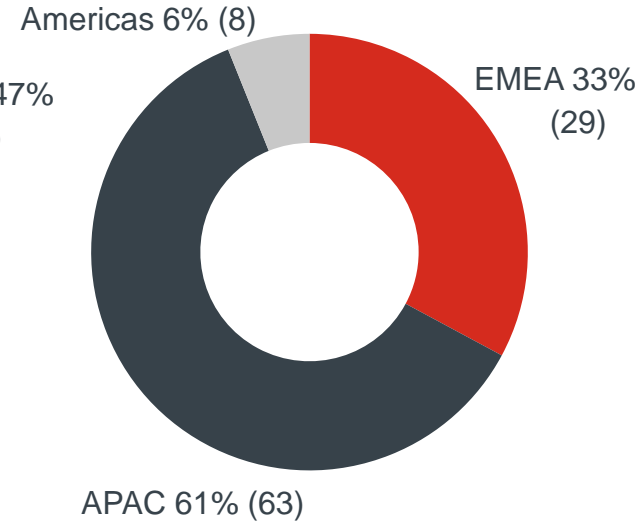
Kalmar



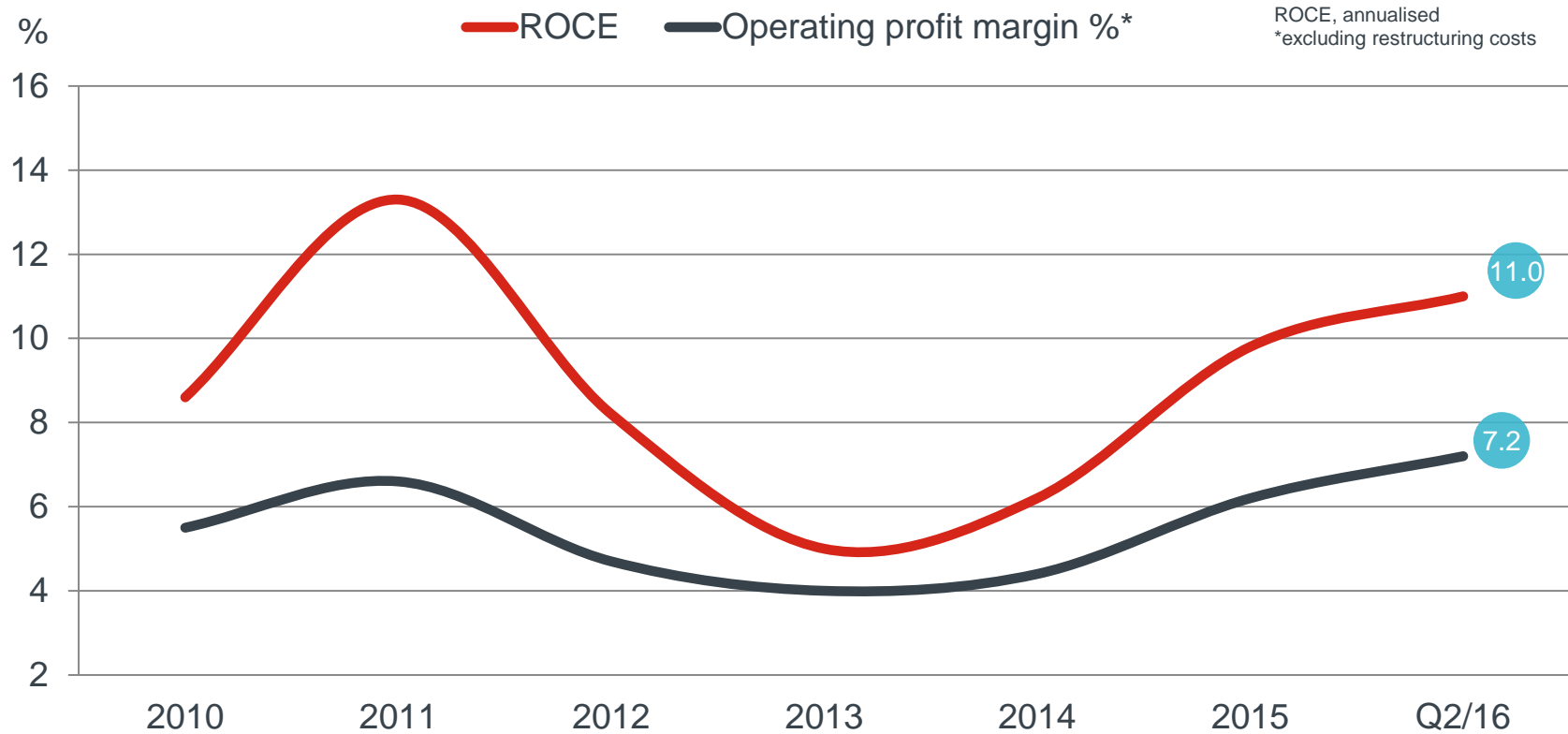
Hiab



MacGregor



Positive development in key financial metrics continued



Cargotec to become a leader in intelligent cargo handling

Q2 events

- Strategy execution proceeding well
- Must-win battles supporting strategy execution
 - Build world-class services offering
 - Lead digitalisation
 - Build world-class leadership
- Control environment improvements ongoing
 - Management control self-assessments conducted by our businesses have identified several improvement opportunities in our control environment
 - Increased resources and focus on Ethics and Compliance



Kalmar delivers 14 terminal tractors to the United Arab Emirates

Outlook 2016 unchanged

- Cargotec's 2016 sales are expected to be at the 2015 level (EUR 3,729 million) or slightly below.
- Operating profit excluding restructuring costs for 2016 is expected to improve from 2015 (EUR 230.7 million).

Q2 events



