





Q3 2015 Boston – New York road show

President and CEO Mika Vehviläinen

December 2-4, 2015

Cargotec in brief



Today's leader in cargo handling equipment

Cargotec Group

Sales: **EUR 2,753 million**
EBIT: **6.5%**
Services: **24%**

MacGregor

32% of sales
EBIT: **4.2%**
Services: **20%**

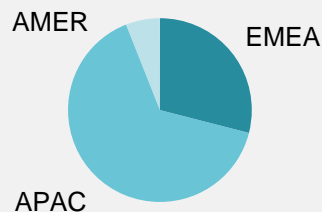
Kalmar

43% of sales
EBIT: **7.9%**
Services: **27%**

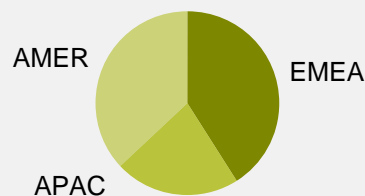
Hiab

25% of sales
EBIT: **10.3%**
Services: **24%**

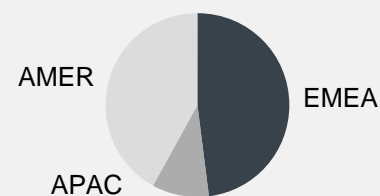
Geographical split of sales in 1-9/2015



Geographical split of sales in 1-9/2015



Geographical split of sales in 1-9/2015



Figures: 1-9/2015
EBIT % excluding restructuring costs

Key competitors

MacGregor



SHIP'S EQUIPMENT CENTRE GRONINGEN B.V.



Rolls-Royce



LIEBHERR

Kalmar



KONECRANES®
Lifting Businesses™



LIEBHERR

ABB

Hiab



From turnaround to leader in intelligent cargo handling with sector leading profitability

Turnaround is delivering results in Hiab and Kalmar; MacGregor has improvement plan in place

Transformation has started from equipment business to world class services offering and leadership in intelligent cargo handling

Investing to ensure a leading position

Shaping the portfolio to increase shareholder value



→ **10%**

operating profit margin
(EBIT) in each business
area over the cycle

Investing in our transformation to be the leader in intelligent cargo handling

2013

PRODUCT LEADERSHIP

Good equipment company

Product R&D drives offering development

2018

SERVICES LEADERSHIP

World-class service offering

Connected equipment and data analytics building value on data

Significant software business

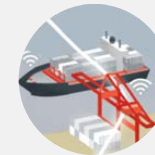


2020

LEADER IN INTELLIGENT CARGO HANDLING

40% of the sales from services and software

More efficient and optimised cargo handling solutions



Must-win battles to support transformation



Build world-class
services offering



Lead
digitalisation



Build world-class
leadership

Committed to improve shareholder return

**Business
area
targets**

Operating profit margin (EBIT)
in each business area over the cycle

10%

Growth
Faster than
market growth



**Group
targets**

Gearing

<50%


**Return on capital
employed over the
cycle (ROCE pre-tax)**

15%

Dividend

30-50%

of earnings
per share



Well positioned to become the leader in intelligent cargo handling

Execution capabilities in place and profitability improving

Building on tremendous strengths

Transforming from equipment company to a company that will shape the cargo handling industry

Investing to ensure a leading position

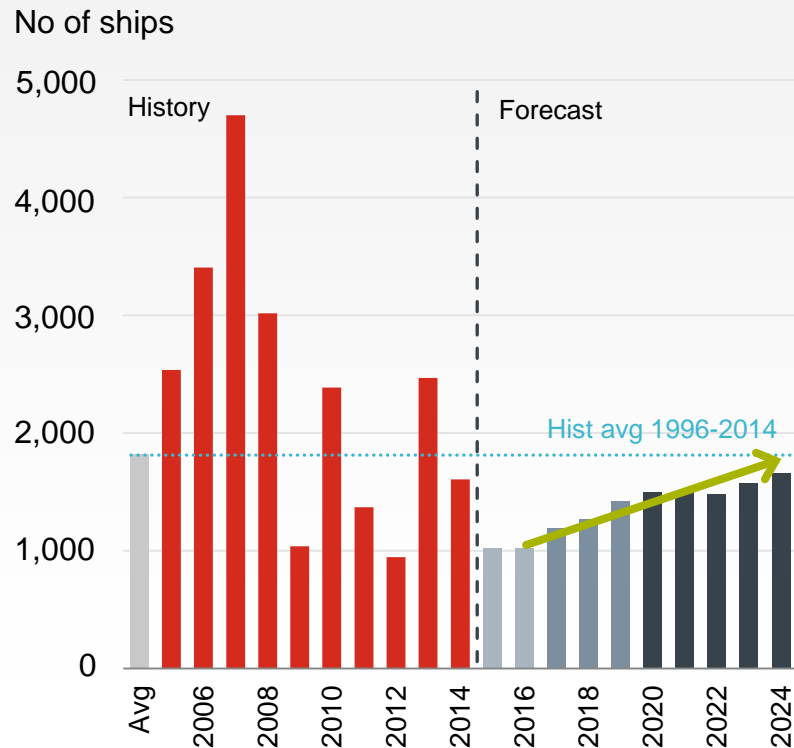
Shaping our portfolio to drive growth and shareholder value

MacGregor

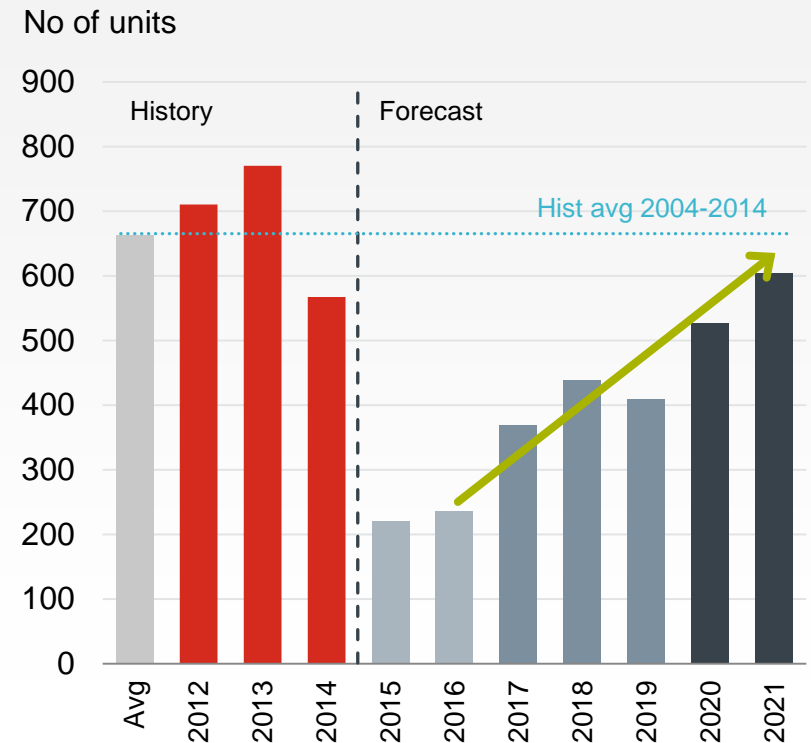


Outlook in merchant shipping and offshore turning back to growth

Long-term contracting 2005–2024 Merchant ships > 2,000 gt



Long-term contracting 2012–2021 Mobile offshore units



Sources: UNCTAD, Clarkson Research

MacGregor has strong positions in both the marine and offshore market

Marine

#1



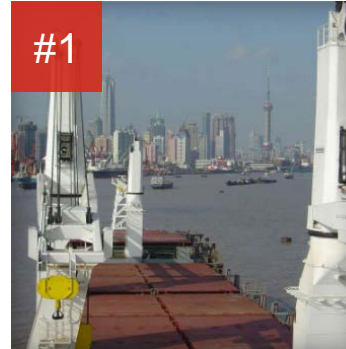
Container lashing

#1-2



Hatch covers

#1



Cranes and selfunloaders

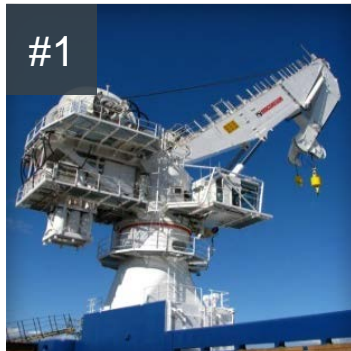
#1



RoRo

Offshore

#1



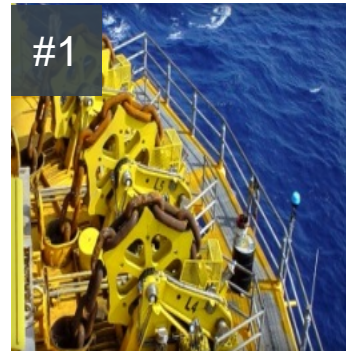
Offshore advanced load handling

#2



Offshore winches

#1



Mooring systems

#1



Loading and offloading systems

RoRo=roll-on/roll-off

Cost reduction and cost control measures set in place in MacGregor in 2015

Reduction of
over 300
employees

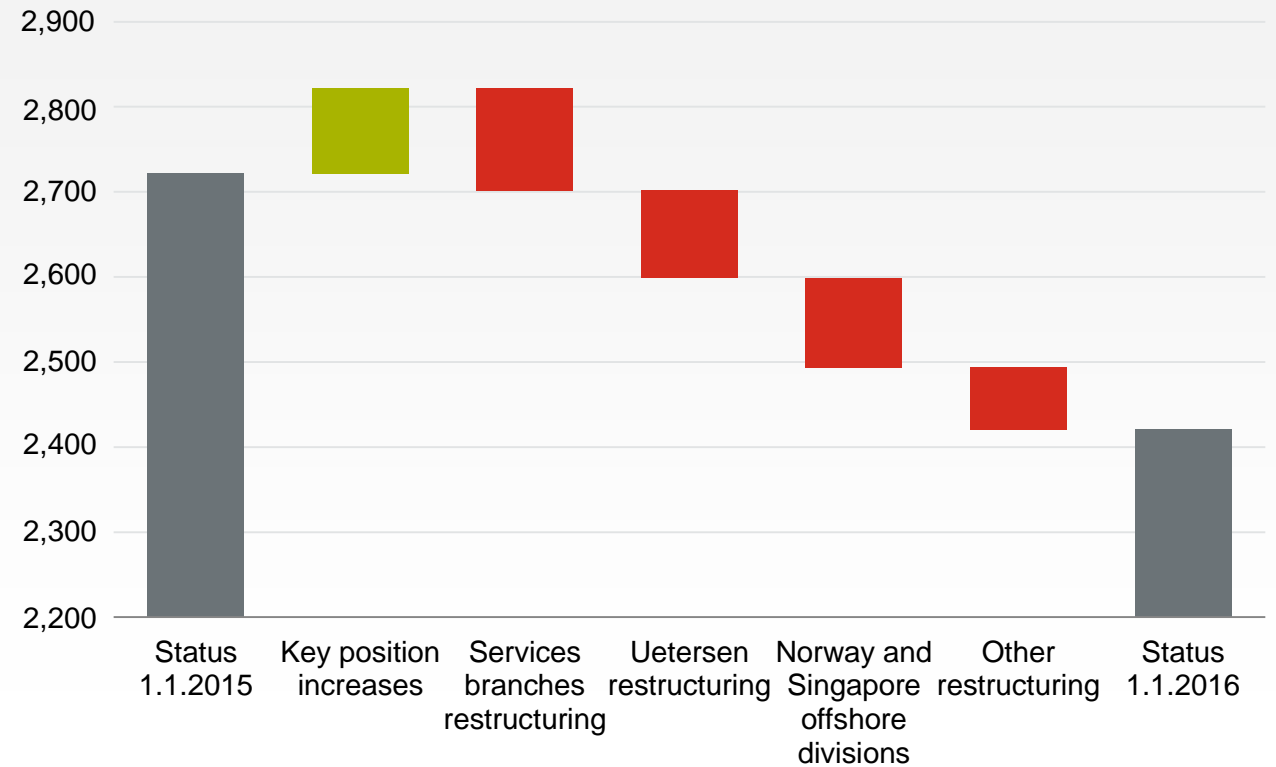
Organisational
development

Targeted annual
savings of EUR
27 million

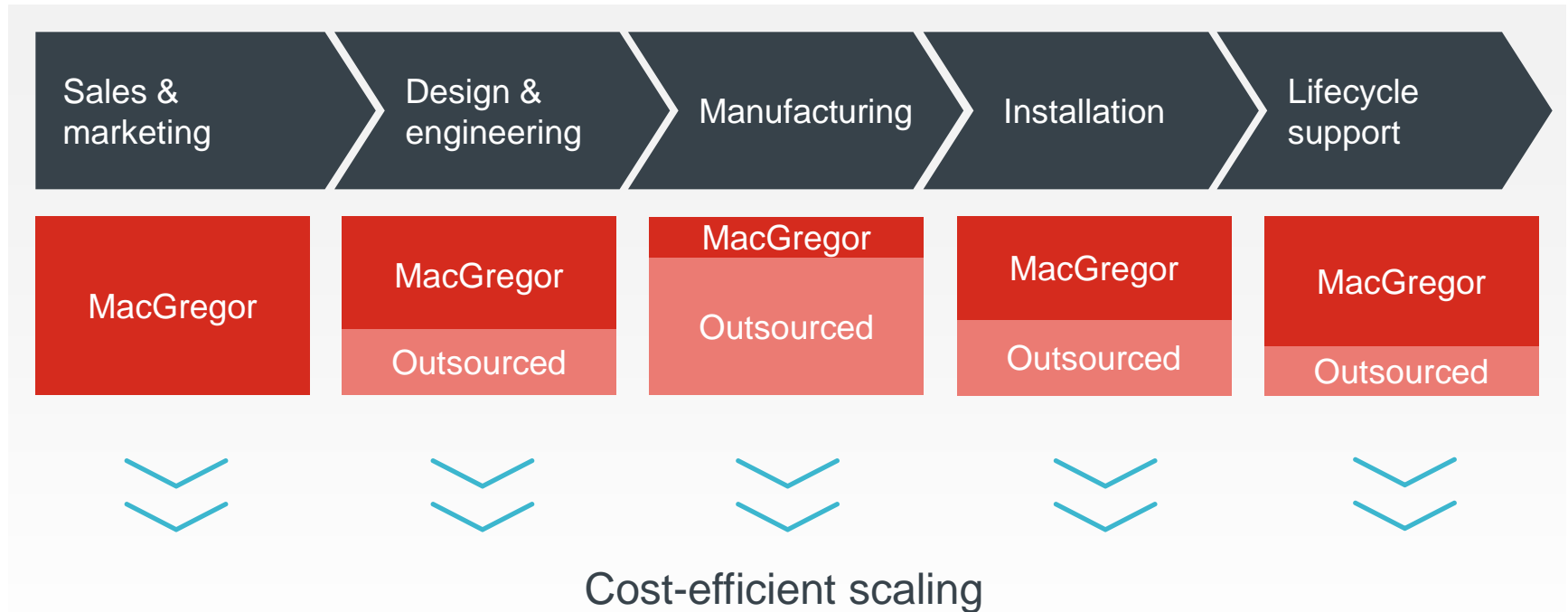
**Measures
taken in 2015
will have a full
impact in 2016**

Headcount reduced by 11%

Internal headcount



MacGregor's asset-light business model gives flexibility



85% of manufacturing outsourced

30% of design and engineering capacity outsourced

MacGregor is improving profitability

Improving profitability by cost reductions, product and project cost improvements, services development

- Cost reduction measures started in 2015 will result in targeted EUR 27 million annual savings
- Targeted savings of EUR 10 million from design-to-cost will materialise in 2016
- Share of services will exceed 25% of sales in 2016
- Asset-light model with 85% of manufacturing outsourced allows for cost-efficient scaling

80% of orders for 2016 in backlog by the end of the year



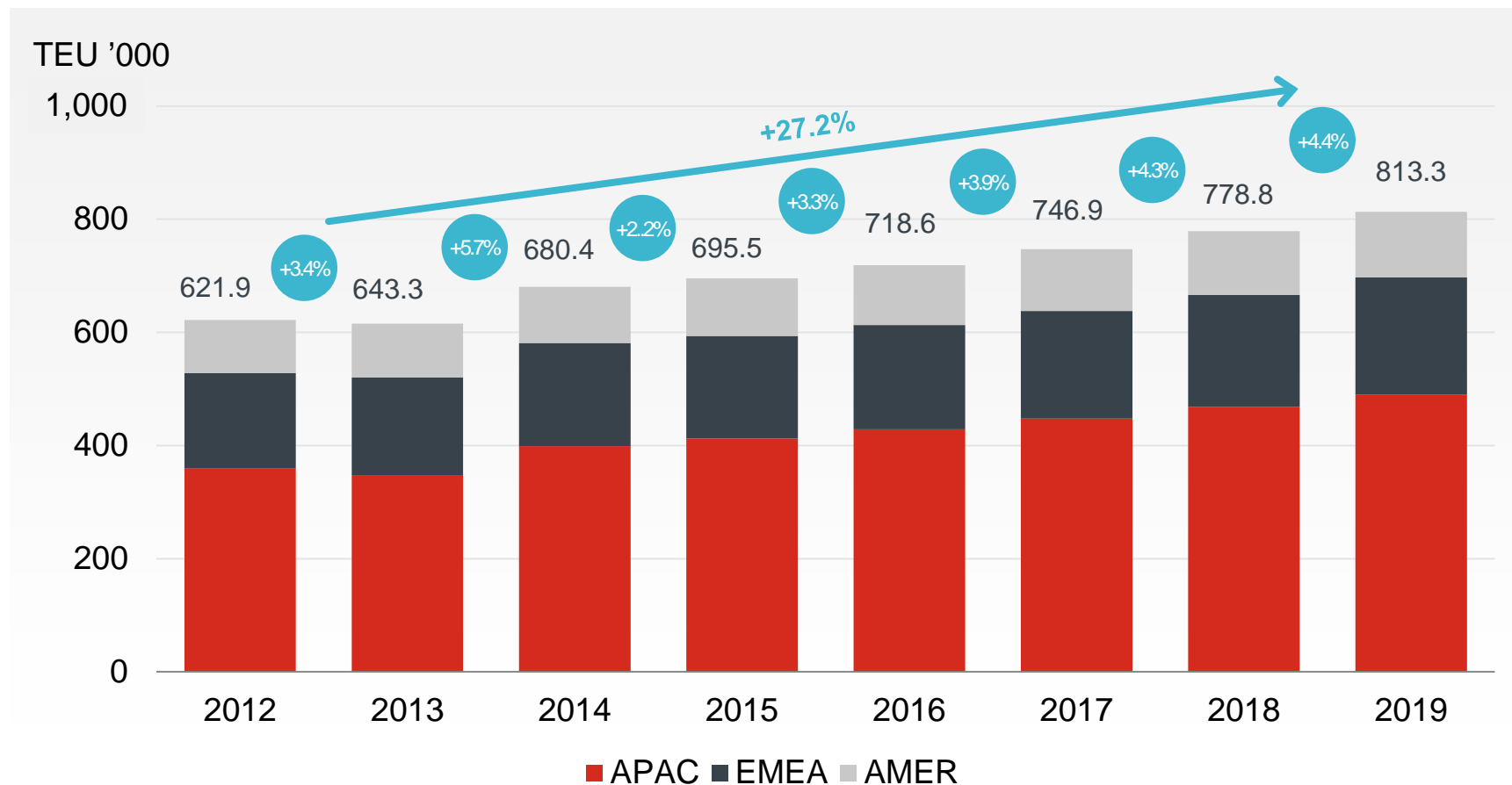
→ 10%

operating profit margin
(EBIT) over the cycle

Kalmar



Container throughput forecasted to grow year on year



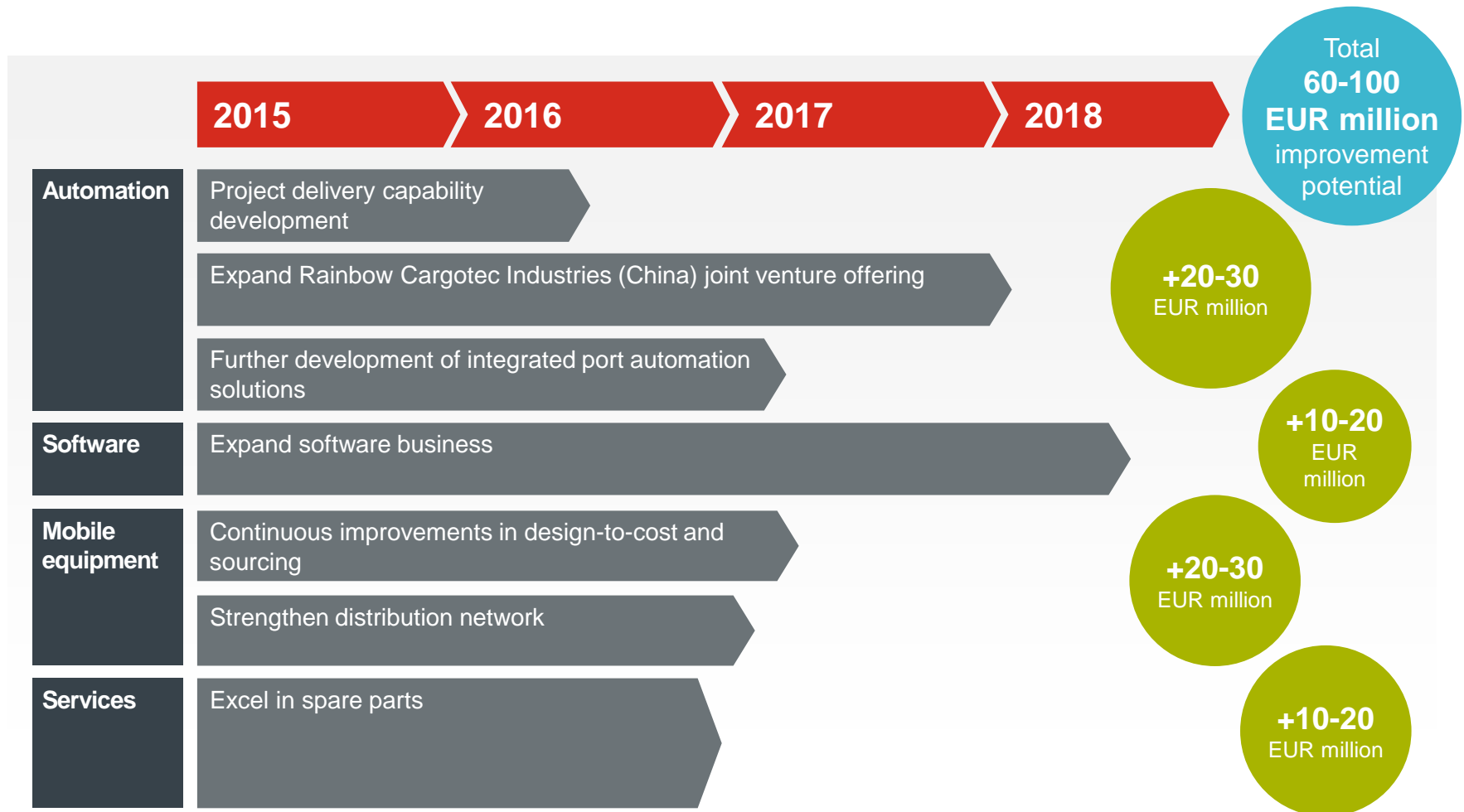
Source: Drewry: Global Container Terminal Operators Annual Report 2015

Kalmar has strong position in attractive segments

Over 80% of Kalmar business is in ports and terminals

		Market position	Trend	Market size
	Automation & Projects	#1-2	→	EUR 7.5 billion
	Mobile equipment	#1	→	
	Bromma	#1	↗	
	Navis	#1	↗	
	Services	#1	↗	EUR 7.6 billion

Kalmar's profit improvement potential 2016-2018



Kalmar's focus on profitable growth

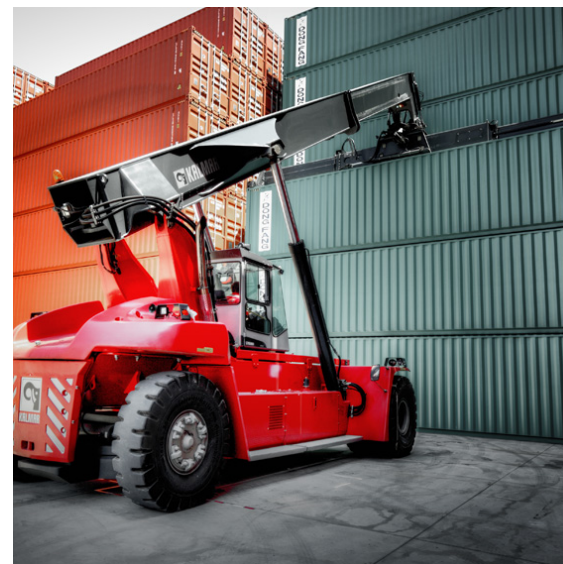
Solid foundation for further improvement

Win in automation

Grow in software

Sustain global leadership in mobile equipment

Digital services and spare parts excellence



→ 10%

operating profit margin
(EBIT) over the cycle

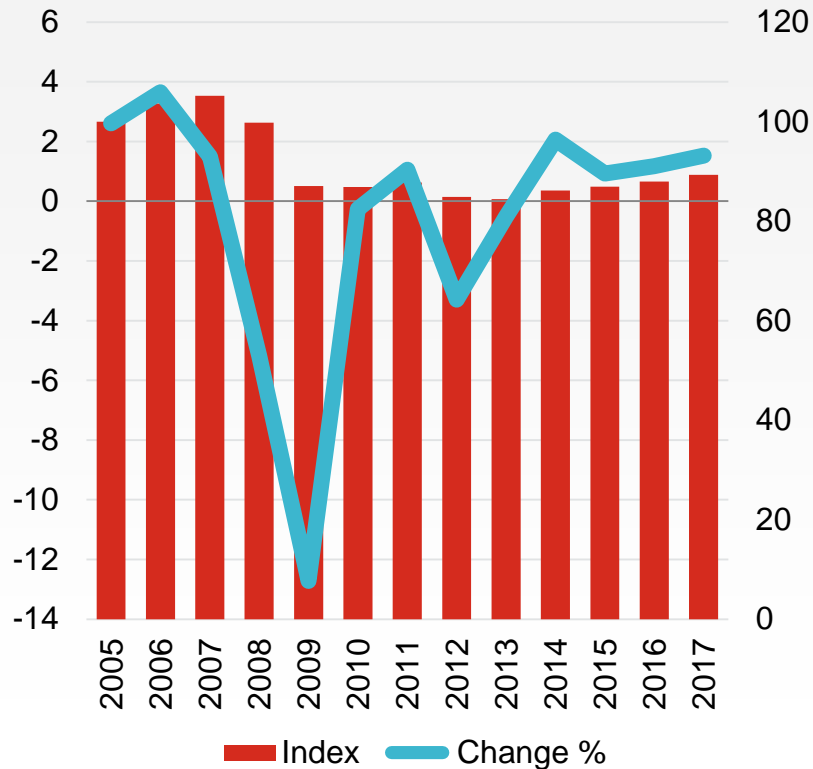
Hiab



Construction output driving growth opportunity

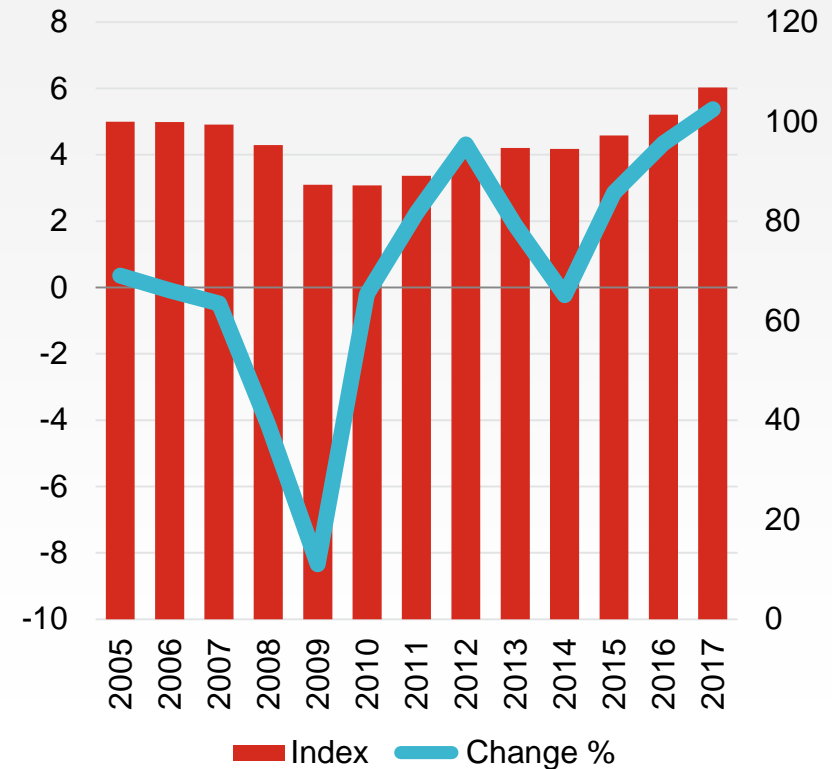
EMEA construction output

y/y change (%)





AMER construction output

y/y change (%)



Source: Oxford Economics: Industry output forecast 9/2015

Hiab has strong positions in attractive markets

		Market size (€B)	Growth	Hiab position & trend
	Loader cranes	1.3	GDP →	#2 →
	Tail lifts	0.5	GDP+ ↗	#1 ↗
	Demountables	0.4	GDP →	#1 →
	Truck-mounted forklifts	0.2	GDP+ ↗	#1 ↗
	Forestry cranes	0.2	GDP →	#2 →

Hiab's key growth drivers are:



Cranes

Gain market share in **big loader cranes** and crane **core markets**



Tail lifts

Enter fast growing **emerging markets** and standardise and globalise **business model**



Truck-mounted forklifts

Accelerate **penetration** in North America and Europe



Services

Increase **spare parts capture rates** driven by connectivity and e-commerce

Hiab's investments for profitable growth

E2E value chain – optimise our distribution network and supply chain

Product innovation – strengthening our market positions

Digitalisation – all new products connected by 2018

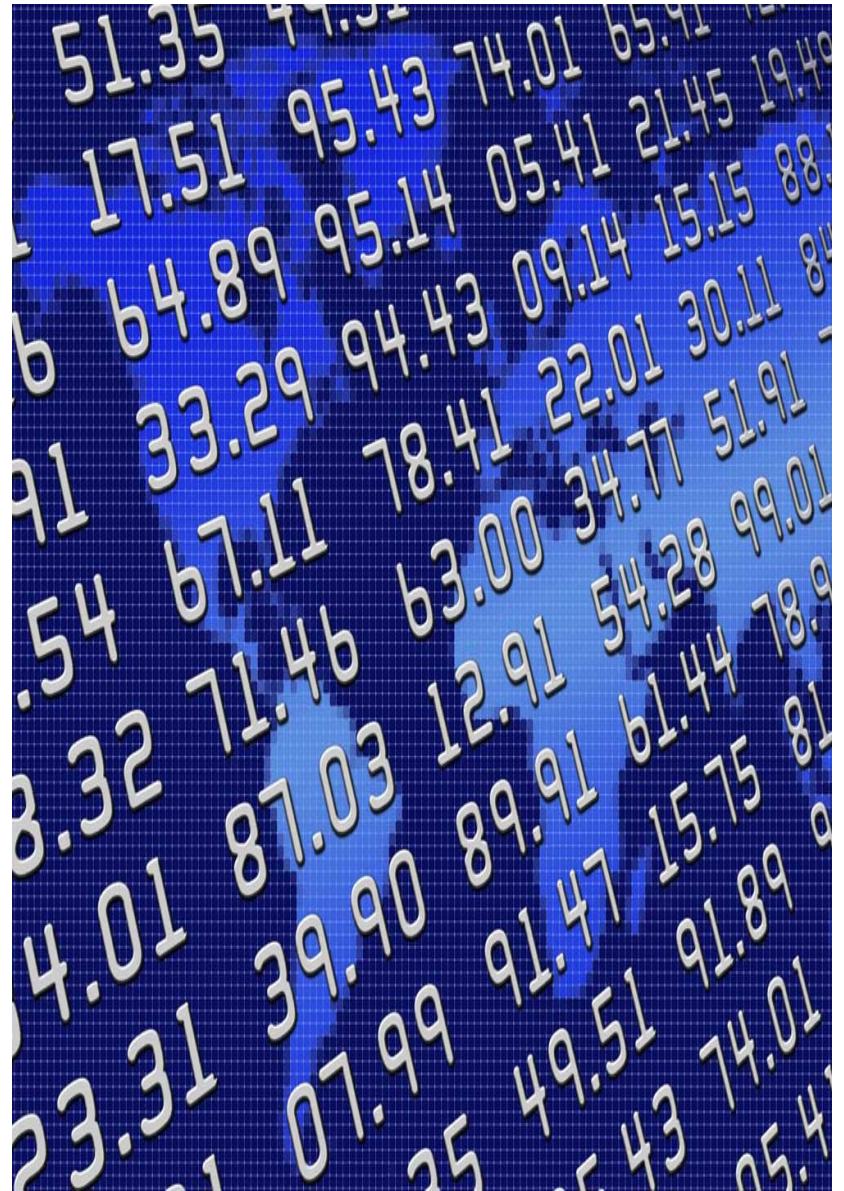
Services – further expand our offering



→ **10%**

operating profit margin
(EBIT) over the cycle

January– September financials



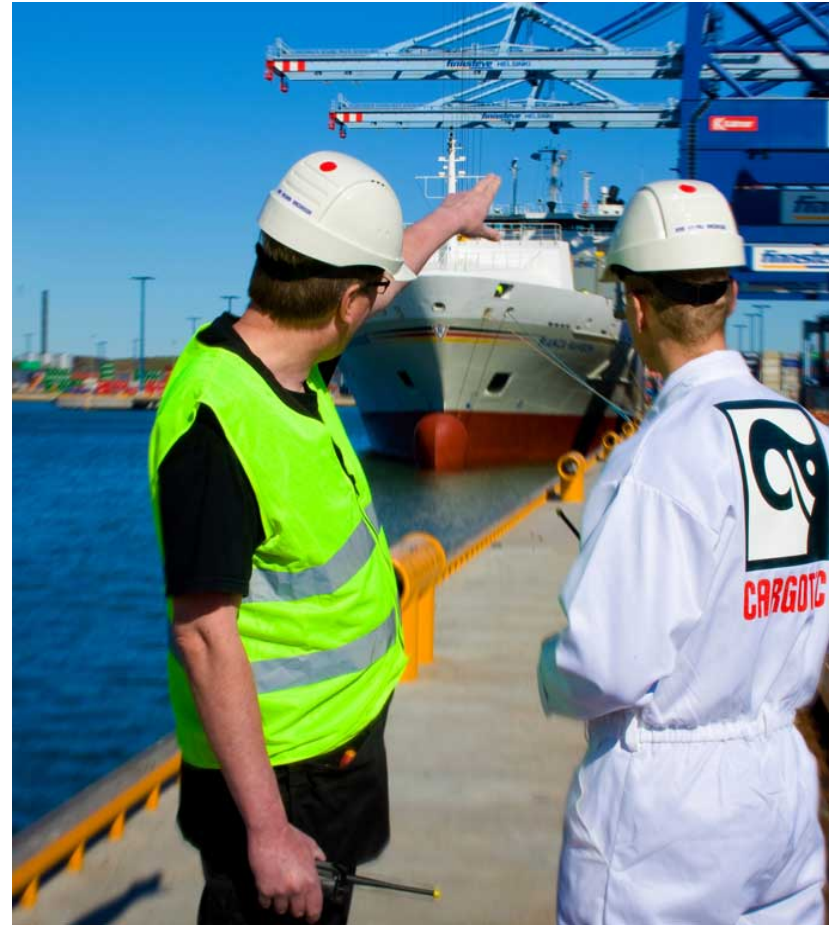
Highlights of the third quarter

- Orders increased 9% y-o-y to EUR 907 (829) million
- Order book strengthened one percent from 2014 year-end to EUR 2,233 million
- Sales grew 10% y-o-y to EUR 928 (840) million
- Operating profit excluding restructuring costs was EUR 68.3 (48.4) million or 7.4 (5.8)% of sales
- Operating profit was EUR 61.9 (45.8) million
- Cash flow from operations strong at EUR 74.5 (63.4) million



Market environment in January–September

- Market for marine cargo handling equipment was weak
 - Demand for cargo handling equipment for large container ships improved during Q3, demand for cargo handling solutions for bulk carriers and offshore vessels was low
 - Demand for RoRo and special vessel related cargo handling equipment was healthy
- Demand for container handling equipment and services was active
- Demand for Kalmar industrial and logistical solutions was healthy especially in the US
- Market for load handling equipment was strong in the US, and healthy in Europe varying significantly between countries



January–September key figures

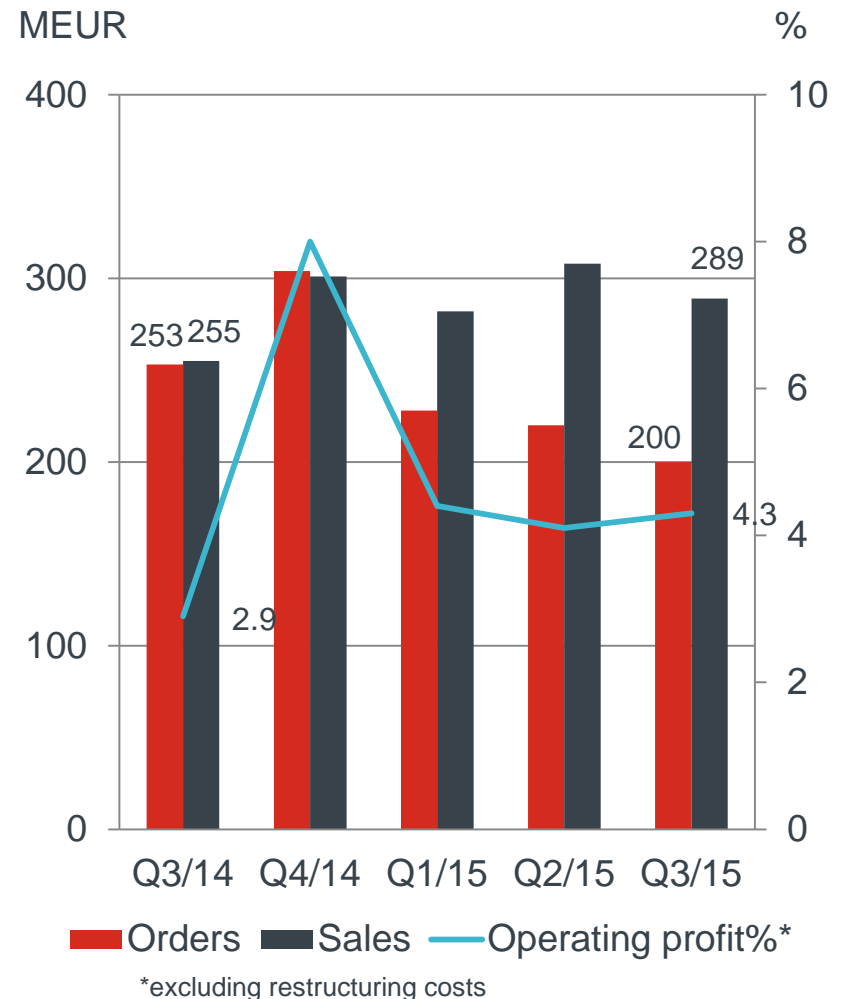
	7-9/15	7-9/14	Change	1-9/15	1-9/14	Change	2014
Orders received, MEUR	907	829	9%	2,733	2,685	2%	3,599
Order book, MEUR	2,233	2,327	-4%	2,233	2,327	-4%	2,200
Sales, MEUR	928	840	10%	2,753	2,395	15%	3,358
Operating profit, MEUR*	68.3	48.4	41%	178.6	77.8	130%	149.3
Operating profit margin, %*	7.4	5.8		6.5	3.2		4.4
Cash flow from operations, MEUR	74.5	63.4		227.3	120.3		204.3
Interest-bearing net debt, MEUR	678	835		678	835		719
Earnings per share, EUR	0.67	0.43		1.67	0.48		1.11



*excluding restructuring costs

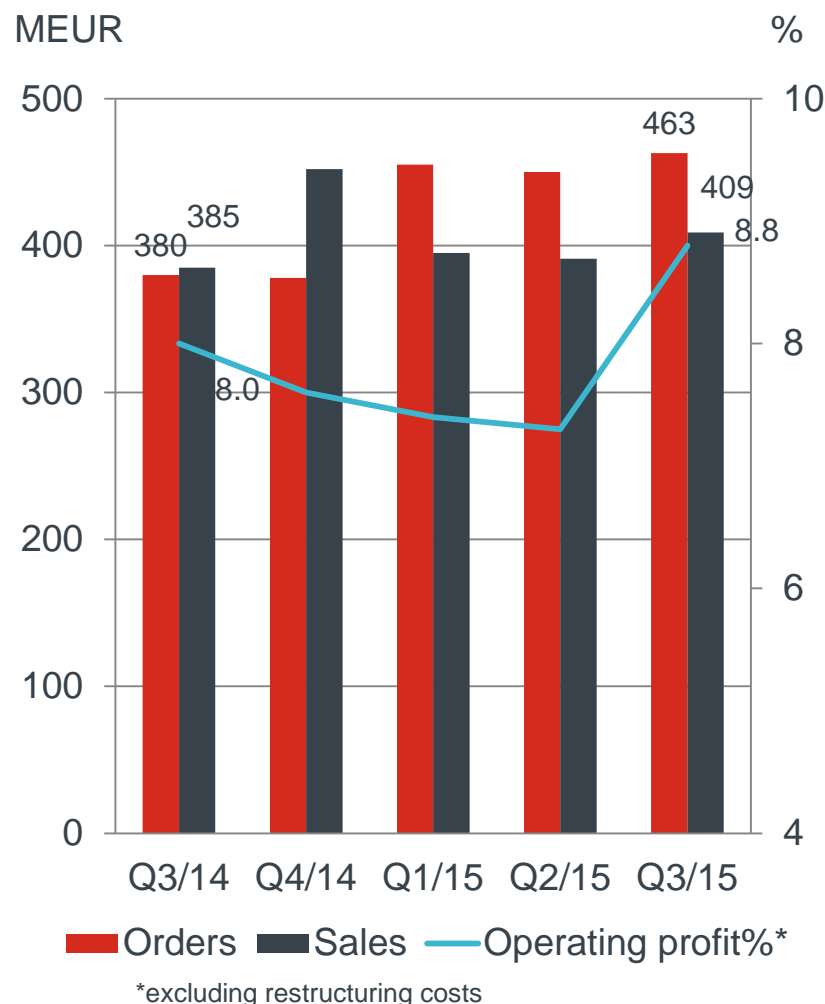
MacGregor Q3 – order intake reflecting challenging market situation

- Order intake declined 21% y-o-y to EUR 200 (253) million
- Order book decreased 13% from 2014 year-end, but still at EUR 984 million
- Sales grew 13% y-o-y to EUR 289 (255) million
- New restructuring measures announced to improve profitability
- Profitability excluding restructuring costs was 4.3%
 - Restructuring costs EUR 5.2 million



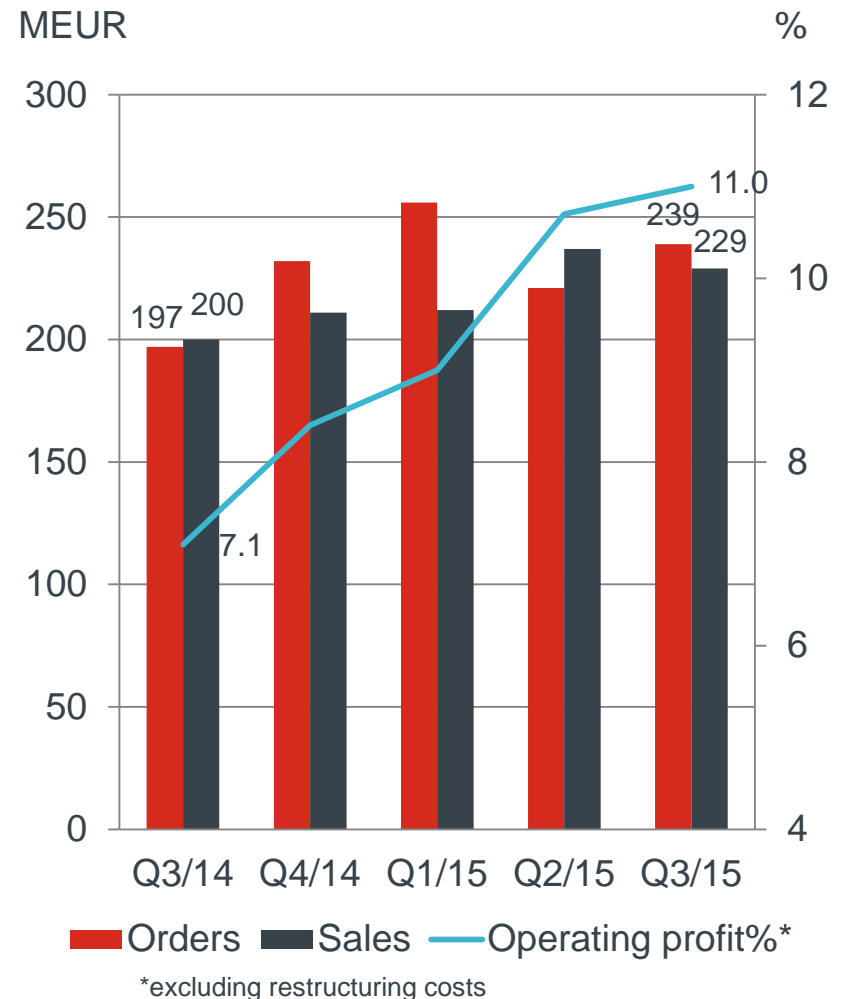
Kalmar Q3 – strong progress in orders and profitability

- Order intake increased 22% y-o-y to EUR 463 (380) million
- Order book strengthened 18% from 2014 year-end
- Sales grew 6% y-o-y to EUR 409 (385) million
- Profitability excluding restructuring costs was 8.8%

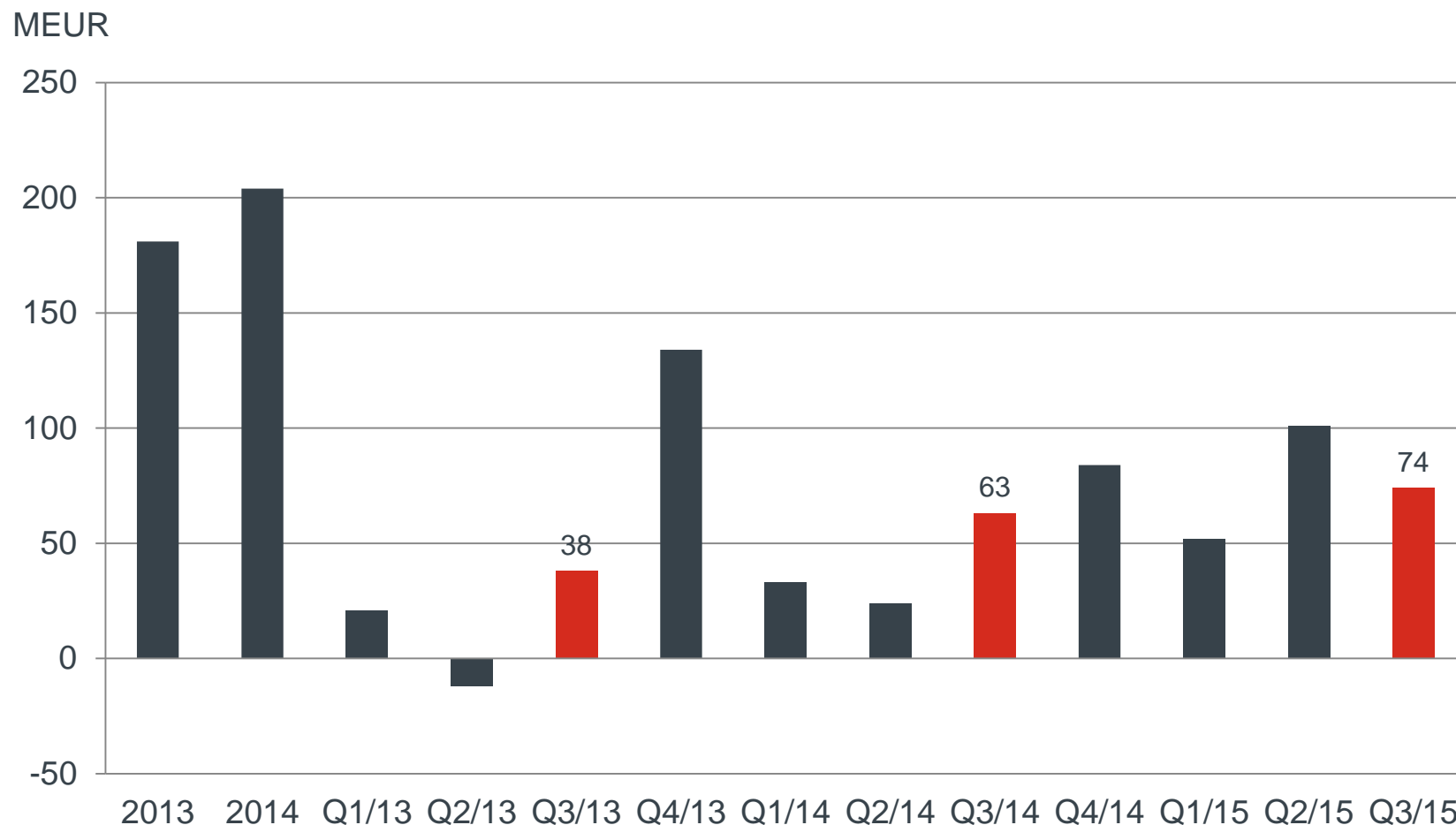


Hiab Q3 – profitability improved further

- Orders grew 21% y-o-y to EUR 239 (197) million
- Order book strengthened 14% from 2014 year-end
- Sales grew 14% y-o-y to EUR 229 (200) million
- Profitability excluding restructuring costs was 11.0%

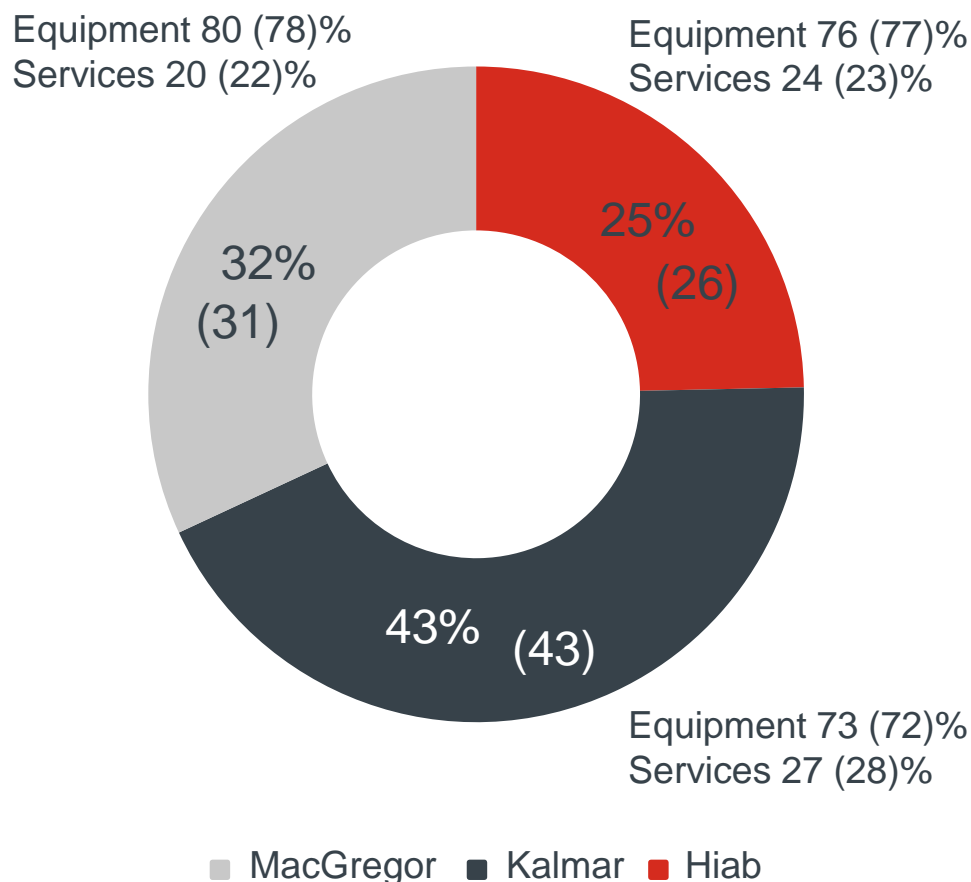


Cash flow from operations strong

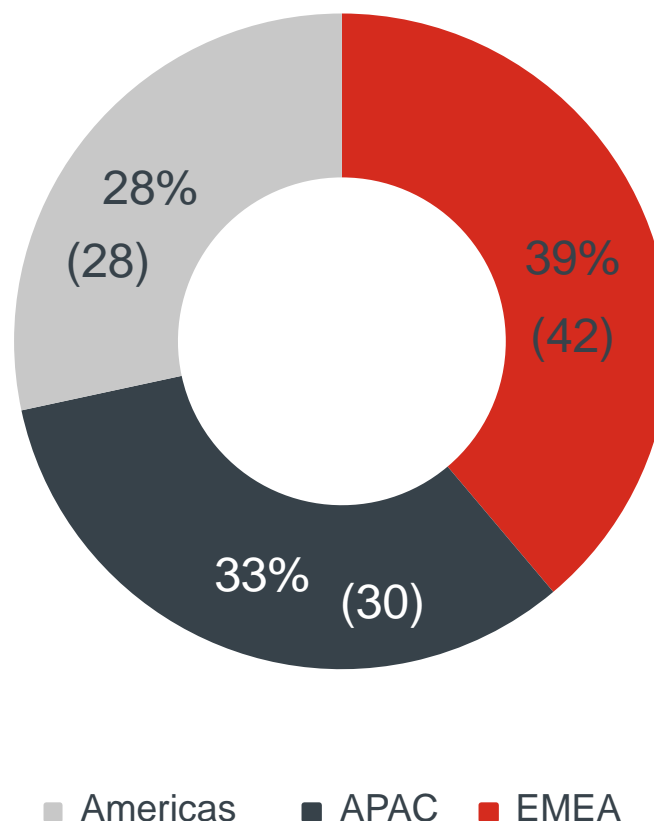


Balanced geographical mix in sales

Sales by reporting segment 1-9/2015, %

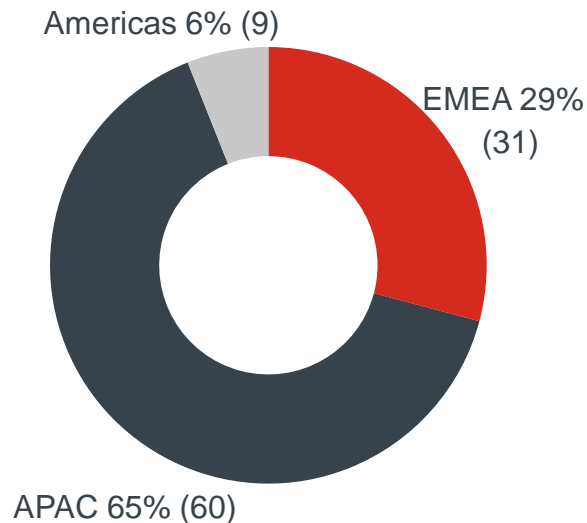


Sales by geographical segment 1-9/2015, %

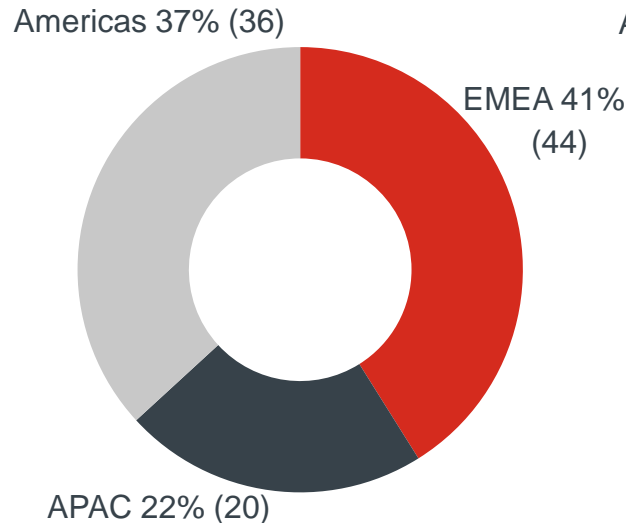


Sales by geographical segment by business area 1–9/2015

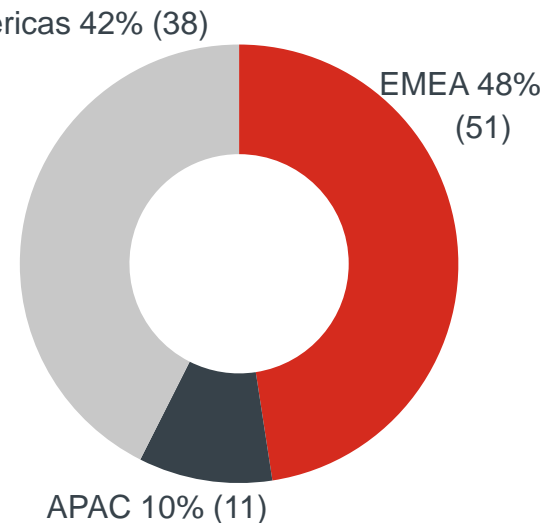
MacGregor



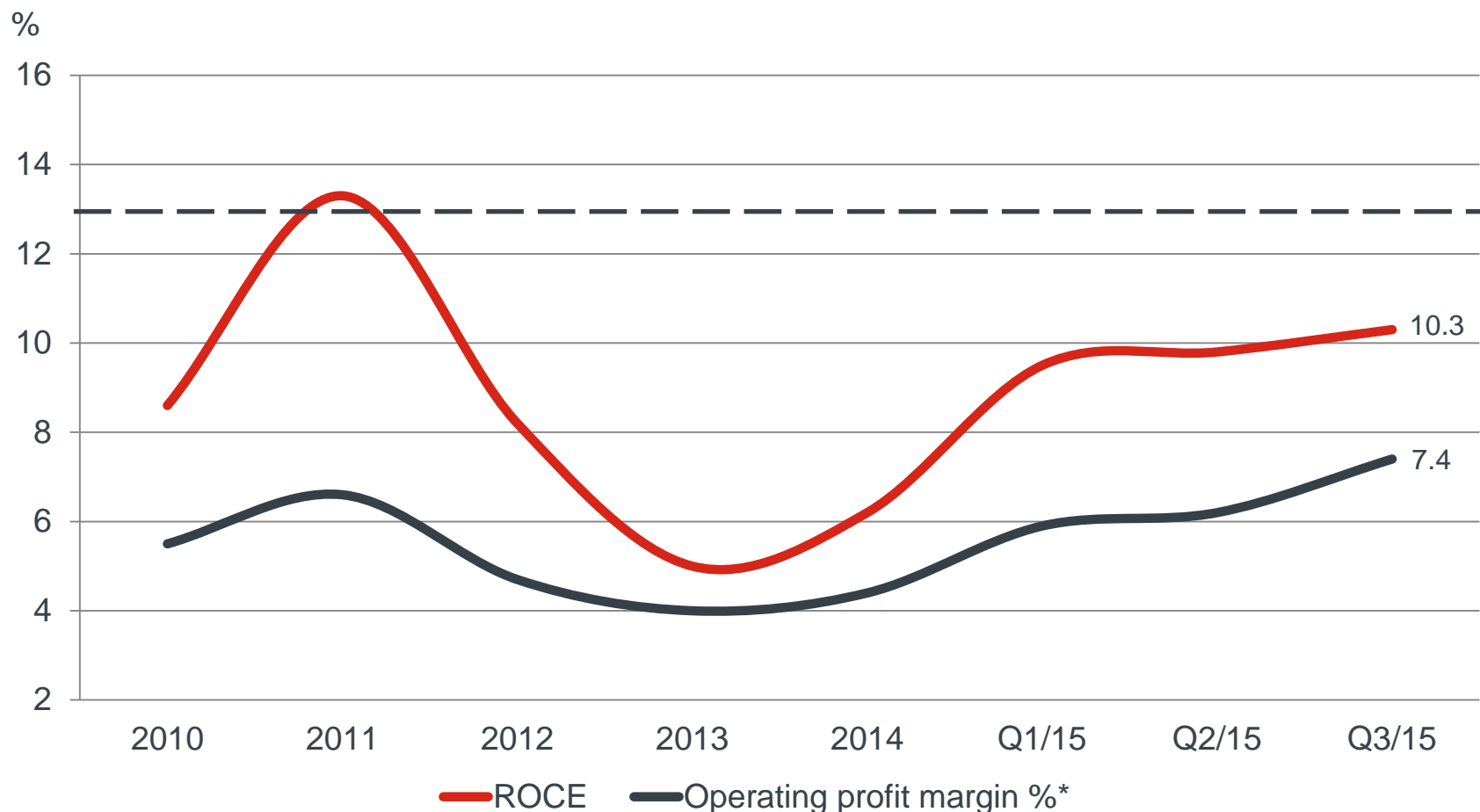
Kalmar



Hiab



Return on capital (ROCE) improved towards the >13% target level



ROCE, annualised
*excluding restructuring costs

Outlook unchanged

- Cargotec's 2015 sales are expected to grow from 2014 (3,358 MEUR).
- Operating profit excluding restructuring costs for 2015 is expected to improve from 2014 (149.3 MEUR).



