CARGOTEC

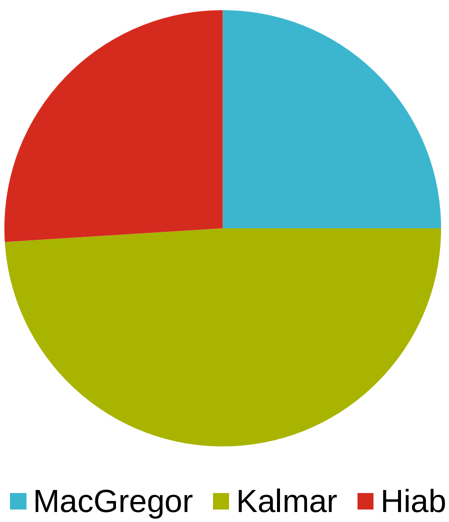
Q4 2013 road show in London
19-20 February 2014

Executive Vice President and CFO Eeva Sipilä

Cargotec in brief

Cargotec's business basics

Cargotec sales split in 2013



Geographical split of sales in 2013 | **Services share of sales in 2013** | **Order to delivery lead time**

MACGREGOR

12-24 months

KALMAR

6-9 months

HIAB

2-4 months

CARGOTEC

Key competitors

HIAB

- Palfinger
- Fassi
- HMF
- Hyva
- Terberg Kinglifter

KALMAR

- ZPMC
- Konecranes
- Terex/Gottwald
- Sany
- Liebherr

MACGREGOR

- TTS
- SMS
- German Lashing
- SEC
- Mitsubishi HI
- IHI
- Navalimpianti
- NOV
- Rolls-Royce
- Huisman
- Liebherr

CARGOTEC

Cargotec's must-win battles

- Turning Hiab's high business potential into profitability
- Building the MacGregor growth platform with the successful integration of acquisitions
- Ensuring Kalmar's competitiveness and profitability in mobile equipment
- Profitable future growth in services in Kalmar and MacGregor
- Building Kalmar as a sustainable leader in container handling automation

CARGOTEC

Cargotec financial targets

2014

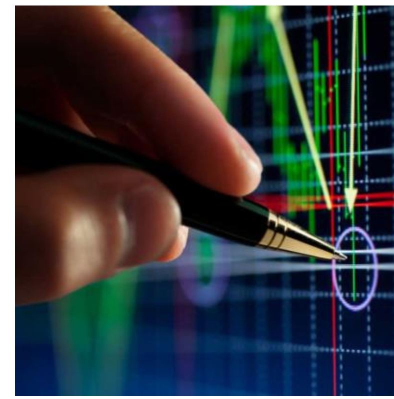
- Due to on-going turnaround activities focus in short-term profit improvement
- 40 MEUR run-rate improvement by end of 2014 on 2013 EBIT both in Kalmar and Hiab
- MacGregor's EBIT impacted by slow recovery in merchant ship market, delivery mix as well as M&A related integration costs

Long-term financial targets

- Gearing below 50 percent
- Dividend 30–50 percent of earnings per share
- Cargotec will revert to longer term profitability and return targets during 2014

CARGOTEC

Driving for better performance



CARGOTEC

Cargotec road map

2013 | 2014 | 2015

Phase 1
Reconfirm and execute key improvement initiatives

Phase 2
Drive 'on par' performance

Phase 3
Drive superior performance and competences in focused portfolio

Kalmar improvement initiatives

2012 | 2013 | 2014

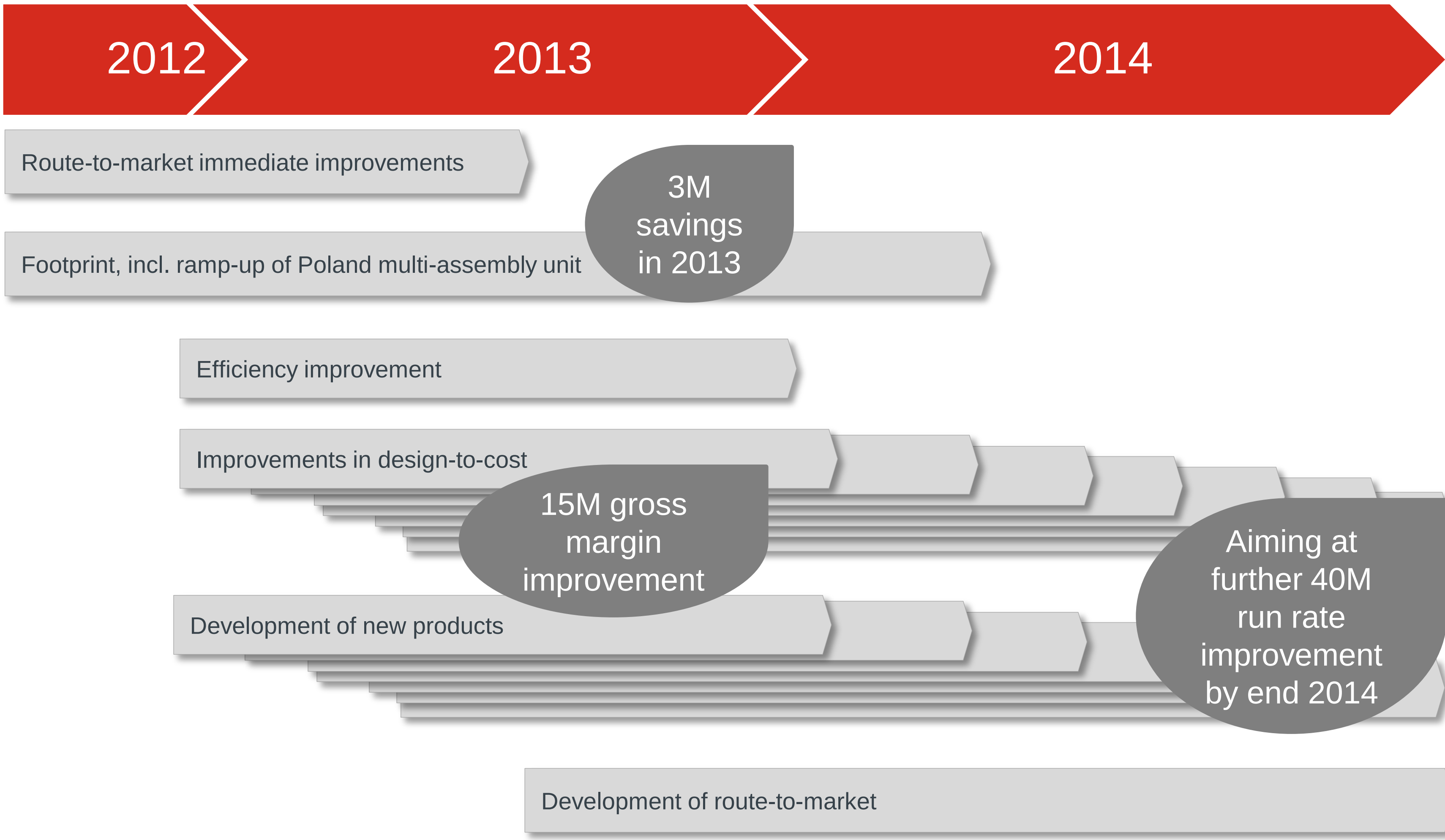
- Organisational efficiency and refocused R&D
- Project delivery capability development

20 M savings in 2013

- Ramp-up of Poland multi-assembly unit
- Development of service business
- Ramp-up of production in Rainbow Cargotec Industries joint venture
- Further development of integrated port automation solutions
- Improvements in design-to-cost

Aiming at further 40M run rate improvement by end 2014

Hiab improvement initiatives



MacGregor improvement initiatives

2012 | 2013 | 2014

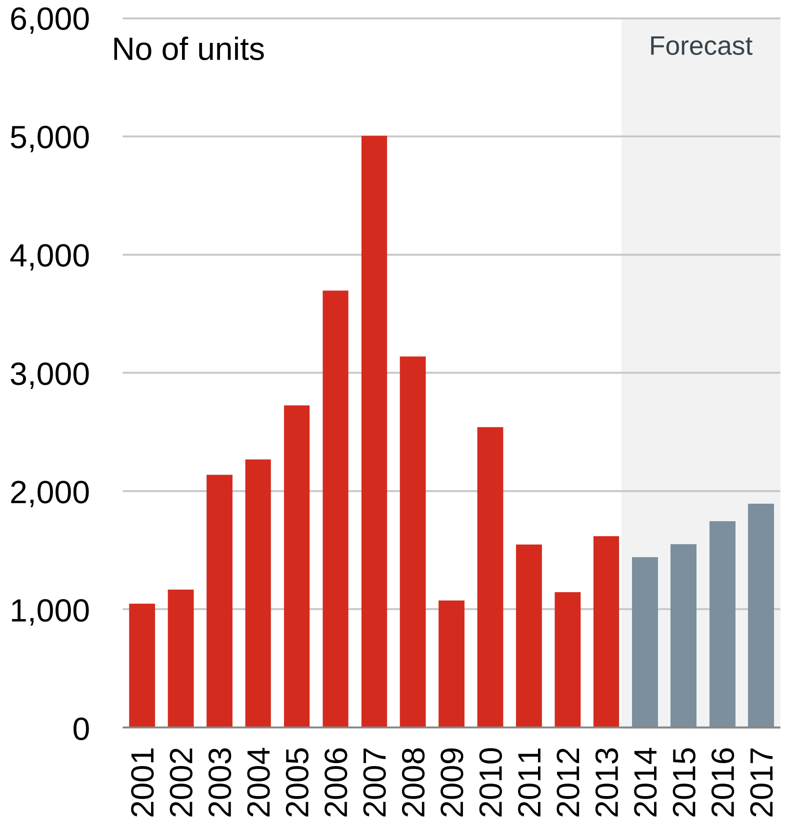
- Development of offshore footprint
- Organisational and operational efficiency
- 4M savings in 2013
- Development of service business
- Organic growth in offshore
- Growth through acquisitions
- Listing preparations

MacGregor

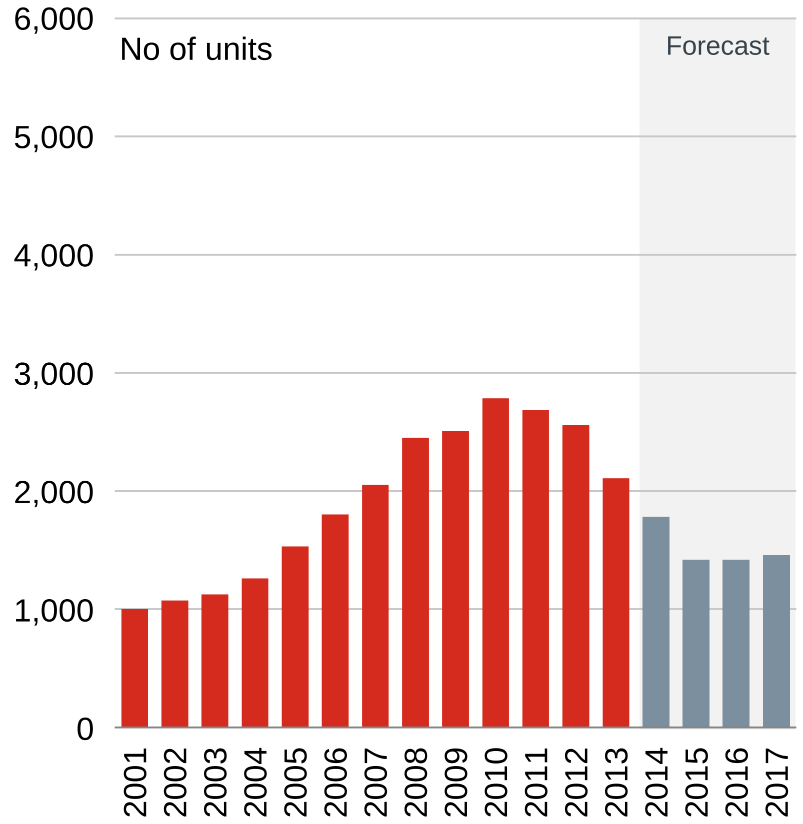
CARGOTEC

Merchant ship contracting forecast

Contracting 2001-2017



Deliveries 2001-2017

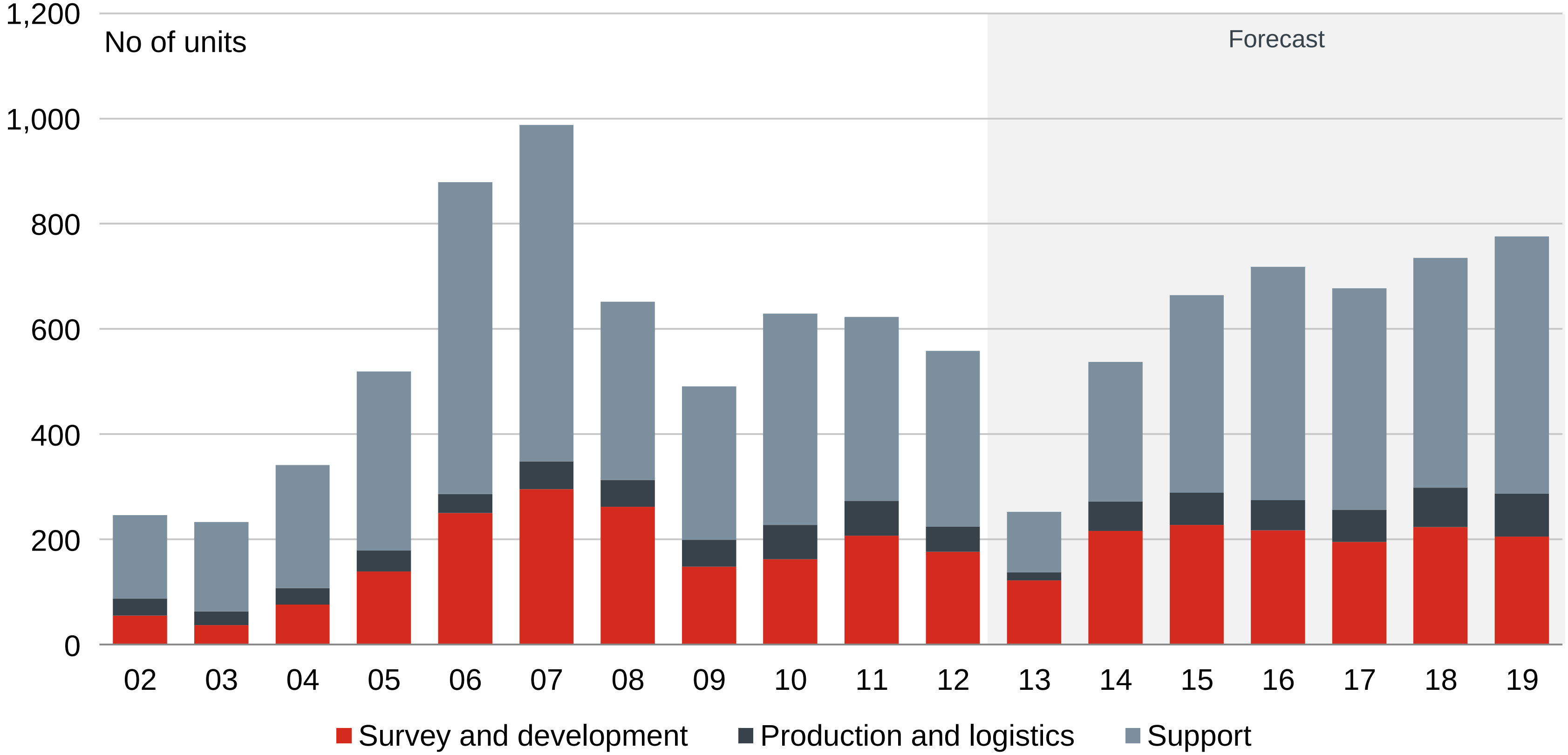


Source: Clarkson Shipbuilding forecast, September 2013

CARGOTEC

Offshore ship contracting forecast

Offshore contracting, historical and forecast contracting (no)



Source: Clarkson Offshore forecast, September 2013

CARGOTEC

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

RoRo=roll-on/roll-off

CARGOTEC

Focus on integrated systems and solutions

Comprehensive product coverage

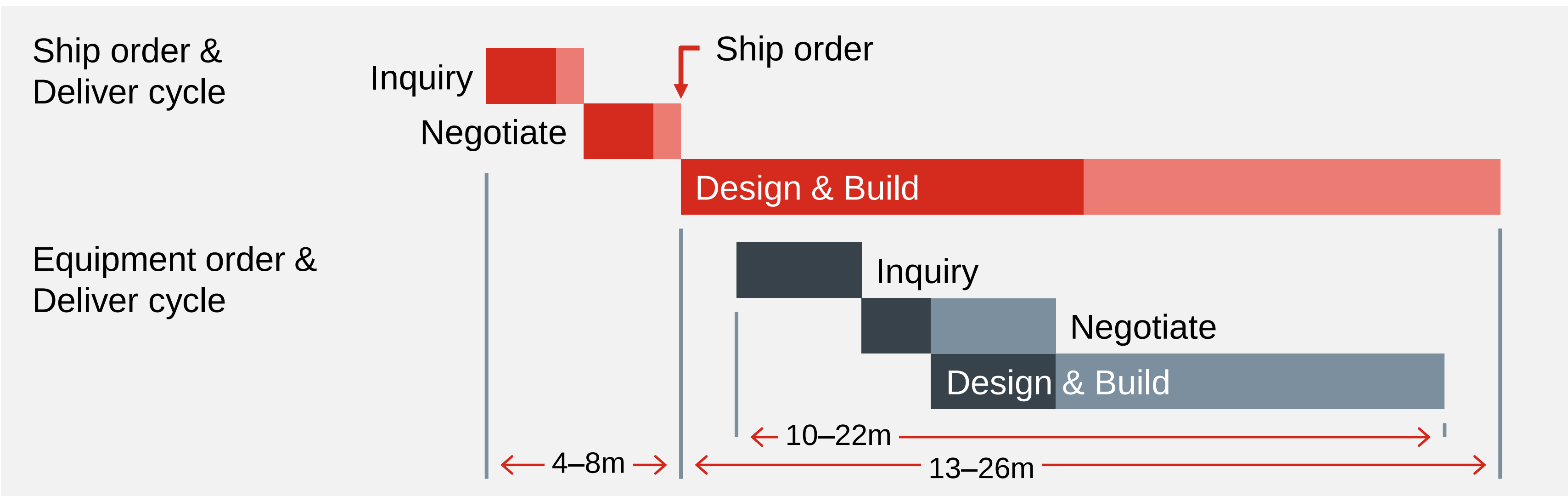
		Cranes	Hatch covers	RoRo equipment	Offshore cranes	Winches	Mooring systems	Service	
Merchant ships	Bulk carrier	X	X			X		X	Customers
	Container ship	X	X			X		X	
	General cargo ship	X	X	X		X		X	
	Naval ship	X	X			X		X	
	RoRo ship	X	X	X		X		X	
	Tanker	X				X		X	
	Trans-loader	X	X			X		X	
Offshore ships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

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

X Existing X Via Hatlapa & Pusnes

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



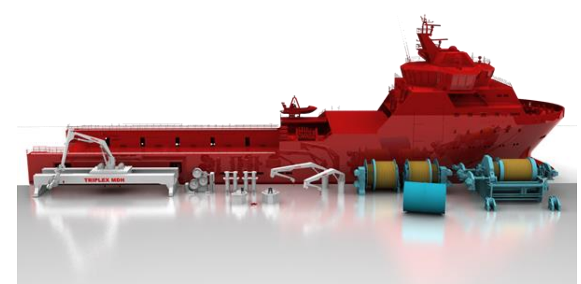
CARGOTEC

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

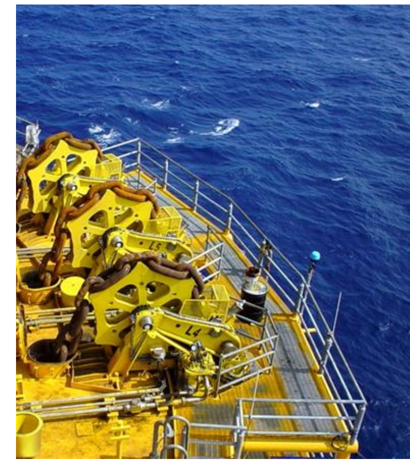
Mooring winches

Hatlapa offshore package

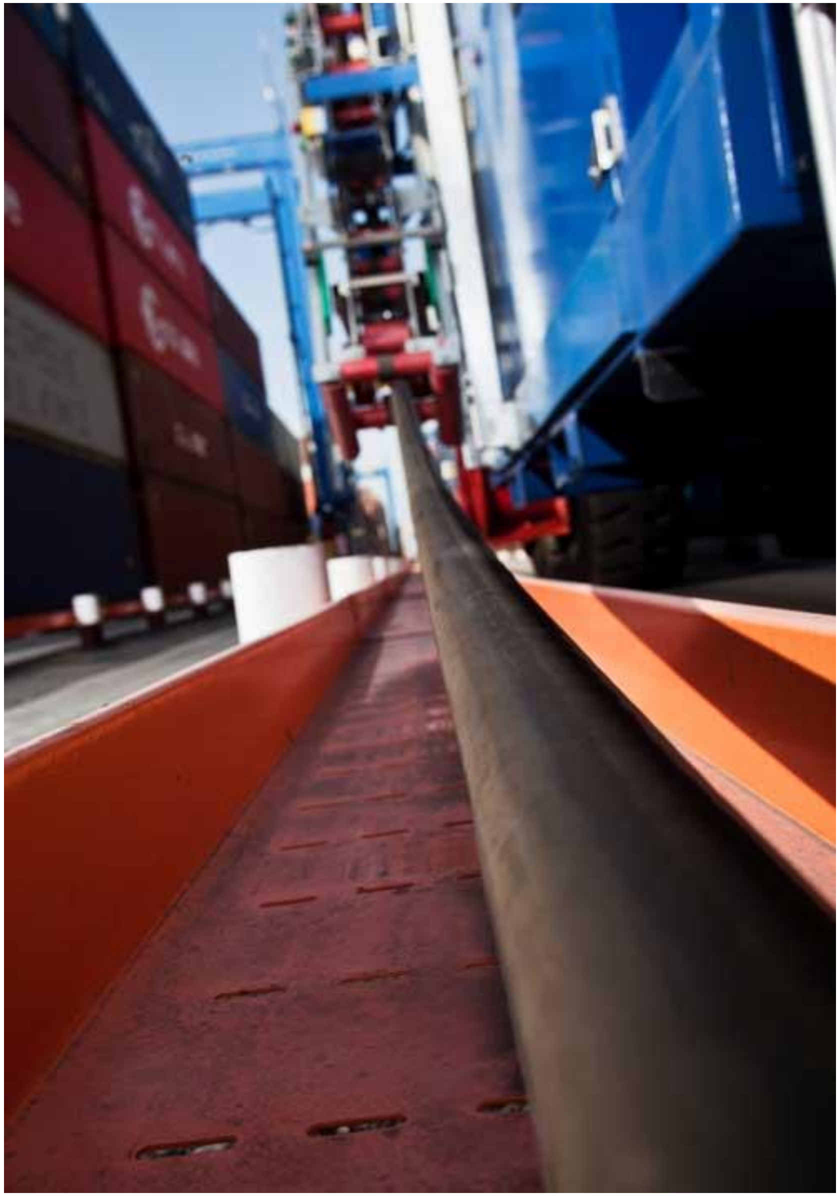


Pusnes solidifies offshore product portfolio

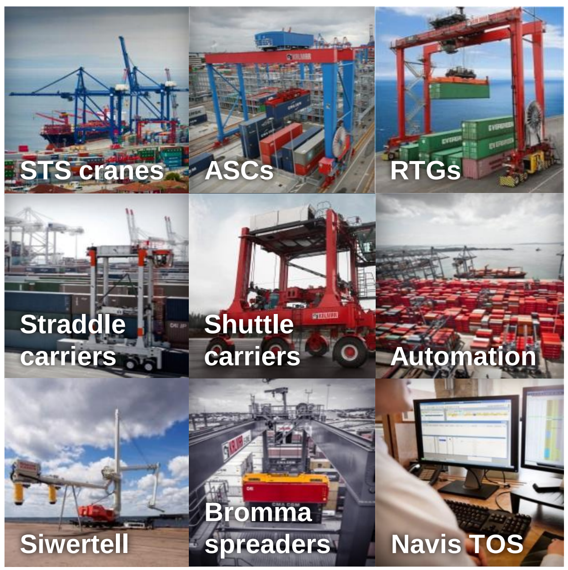
- Attractive deal structure
  - Enterprise value of ~EUR 180 million
  - Subject to regulatory approvals
- Annual revenue of ~EUR 130 million
  - 25% merchant
  - 75% offshore
- Expands product coverage in key offshore categories
  - Offshore mooring and loading systems
- Supports expansion of integrated 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



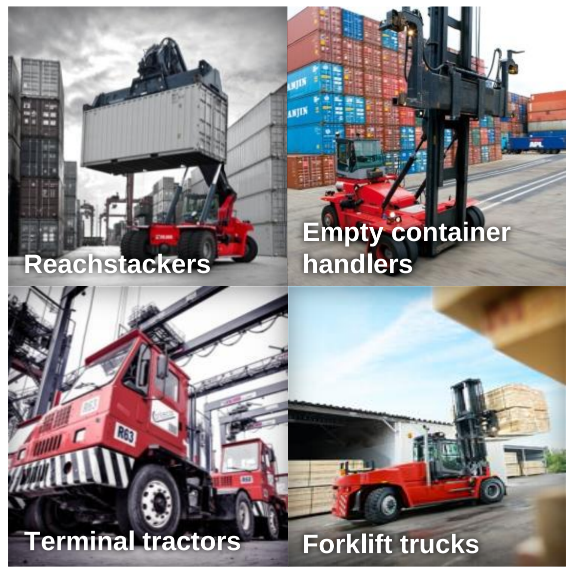
Kalmar



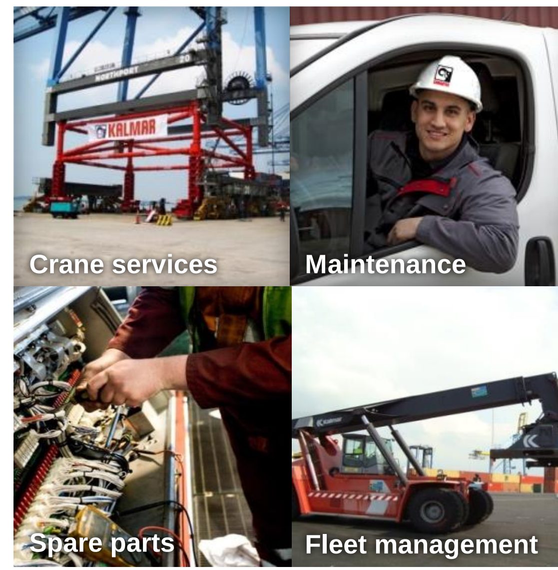
Kalmar businesses and offering



Terminal projects 35%

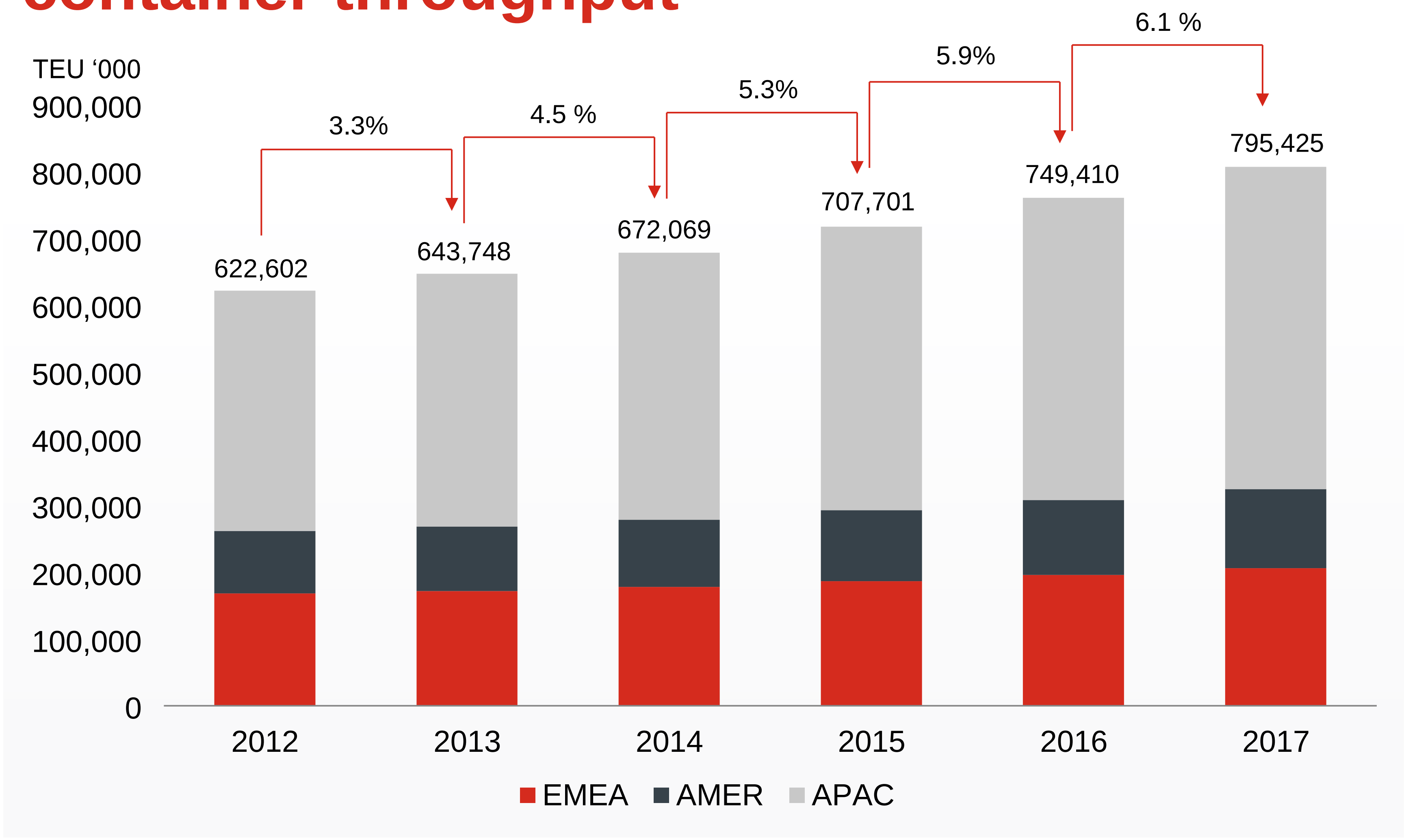


Equipment 40%



Services 25%

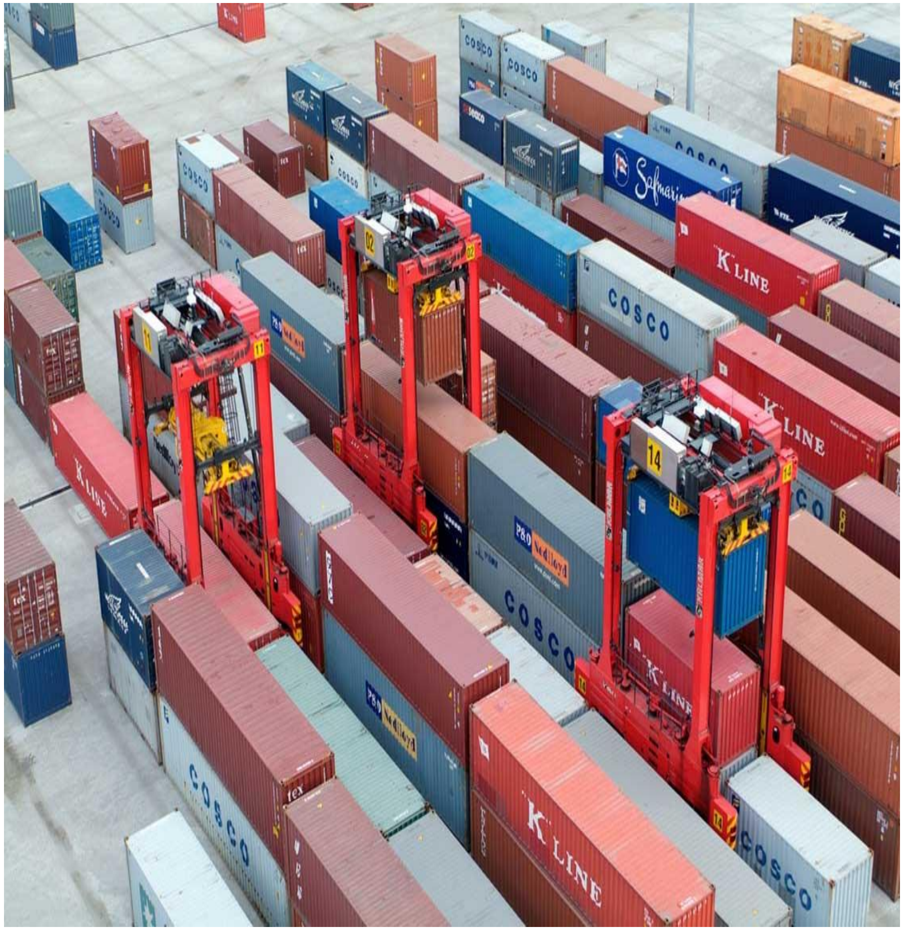
Kalmar is in a growing business – global container throughput



Source: Drewry 2013

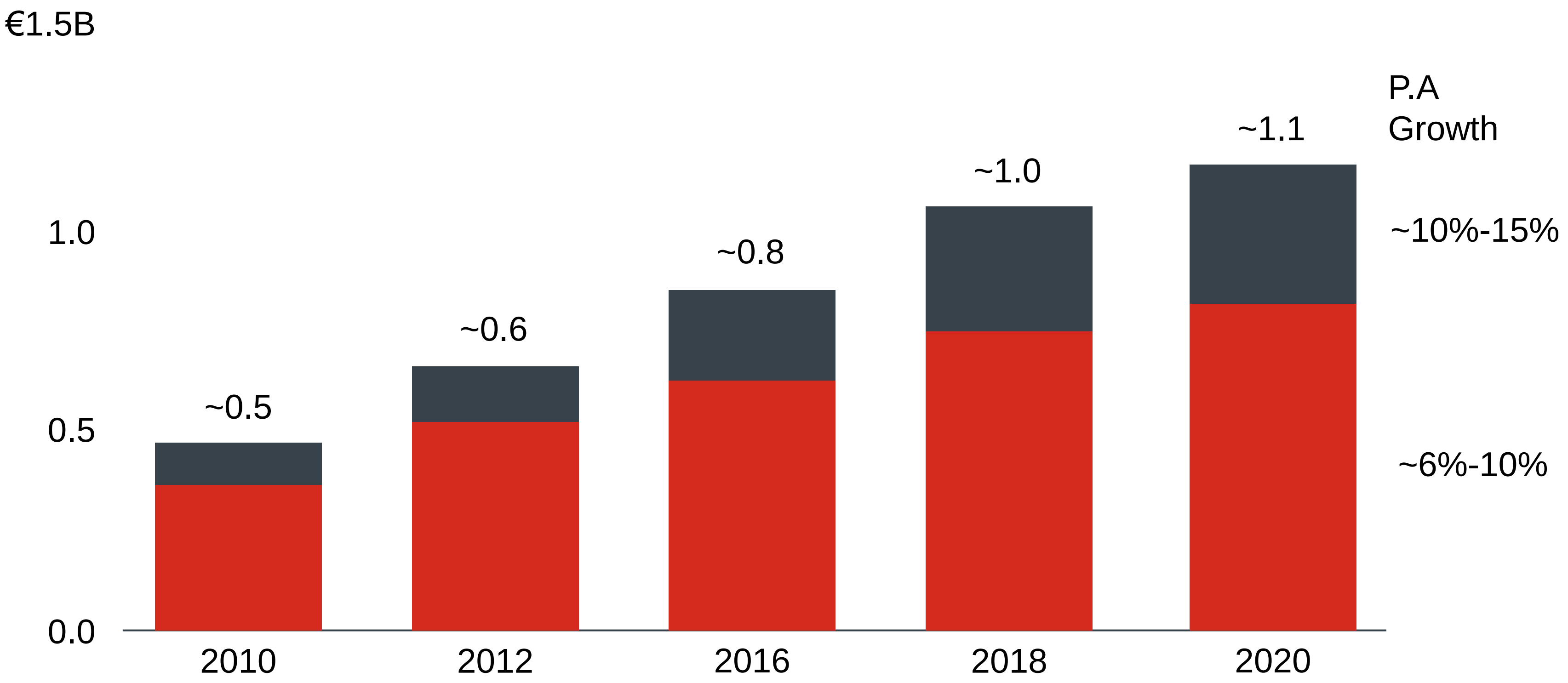
Industry trends for Kalmar

- Ships are getting bigger
- Availability and cost of labour
- Sustainability is port operations
- Safety
- Industry consolidation



Strong future growth expected for automation solutions (TOS 200 MEUR excluded)

Global automation market
(equipment, system and process)



Note: Equipment and system includes yard and horizontal equipment and related system; Process automation includes RFID, OCR, etc.
Source: Drewry, PEMA, Company websites

Kalmar has a leading position in port automation

- First fully automated straddle carrier terminal
- Strategic acquisitions
- Technology Centre in Tampere
- On-going mega terminal projects
- More than hundred SmartPort process automation deployments
- Navis market share in TOS about 20%

CARGOTEC

Kalmar is well equipped to respond to the industry trends and grow profitably

- Good products as foundation
- Unique automation offering
- Strong focus on services
  - Modular services products
  - Crane refurbishment

CARGOTEC

Hiab

Hiab offering


Loader cranes

Truck-mounted forklifts

Demountables

Tail lifts

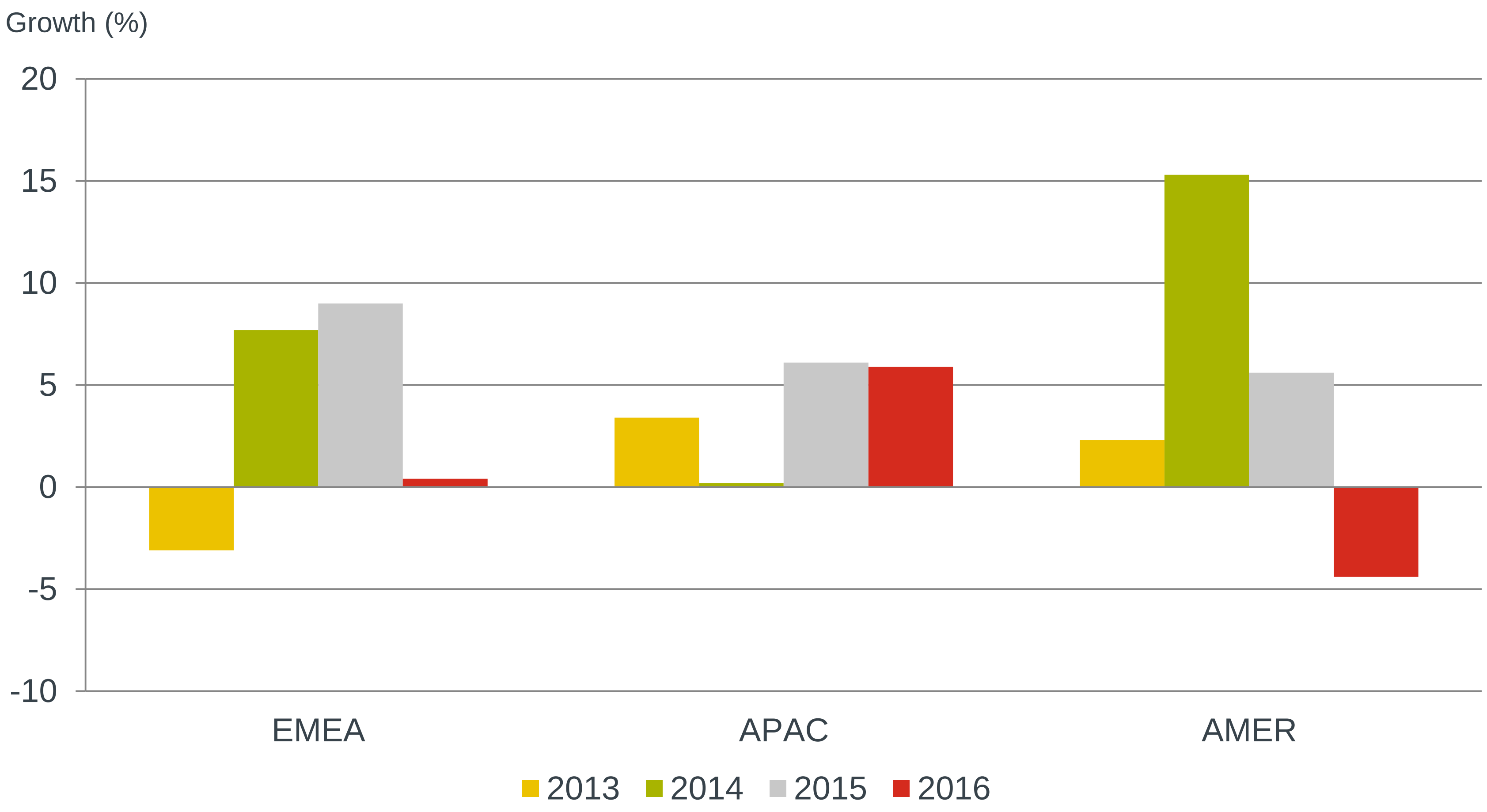
Forestry cranes

Stiff boom cranes

Services

CARGOTEC

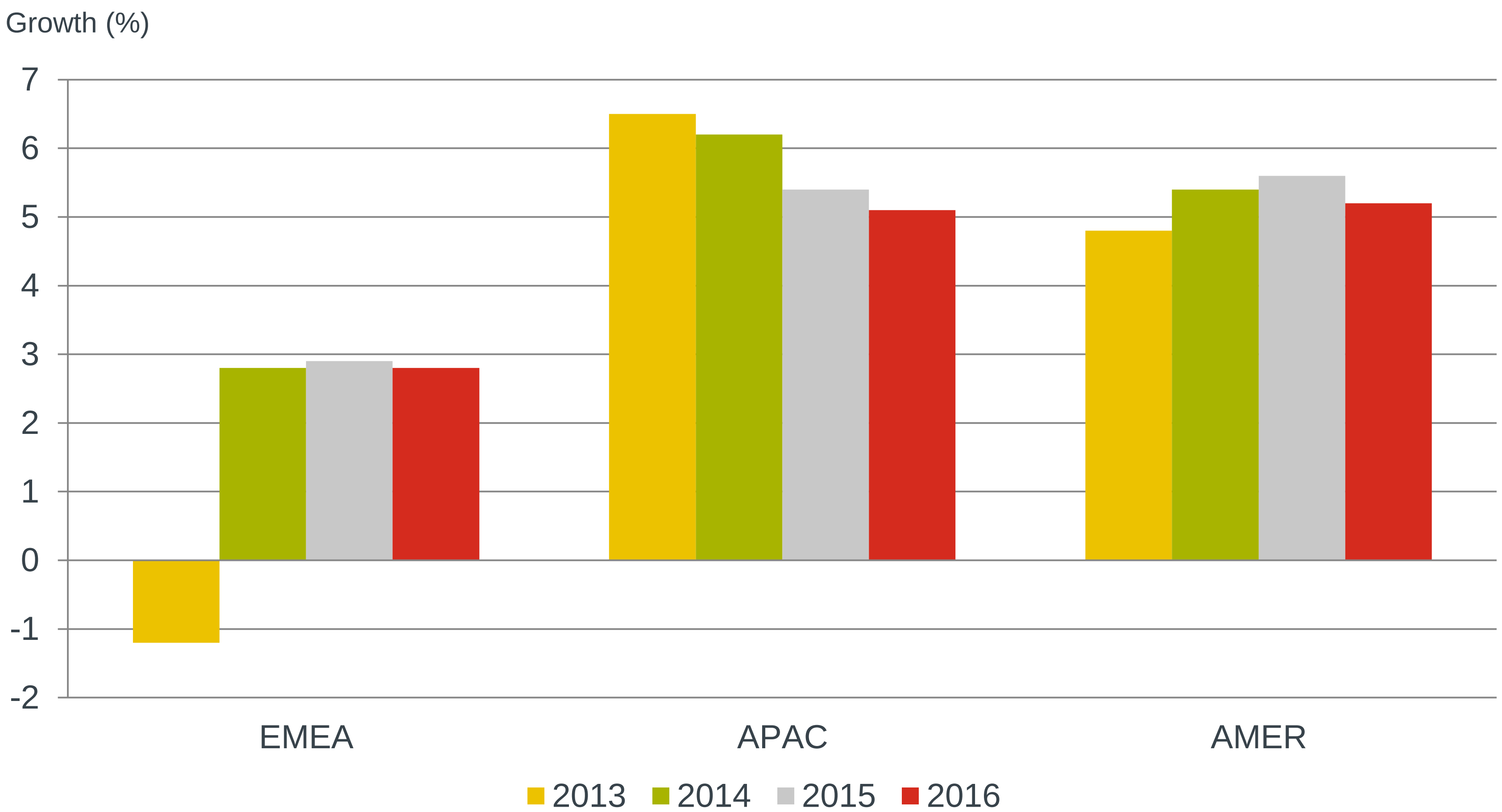
Macro indicator trends – truck sales (GVW >15 tn)



Source: IHS Global Insight, Q4/2013 fcst

CARGOTEC

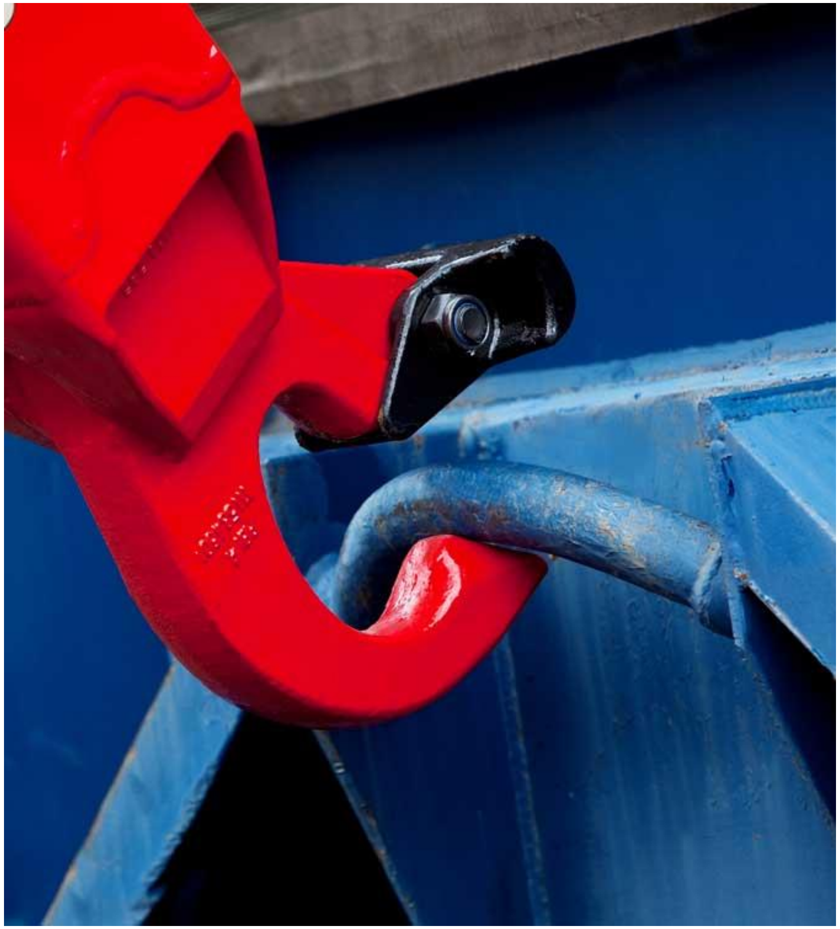
Macro indicator trends – construction output



Source: Oxford Economics, Q4/2013

Hiab strategic priorities 2014

- Deliver profitability improvement and cost reduction in all areas of Hiab
- Drive professional sales and price management and distribution footprint
- Drive design to cost and new product introductions
- Build cost control and performance culture



CARGOTEC

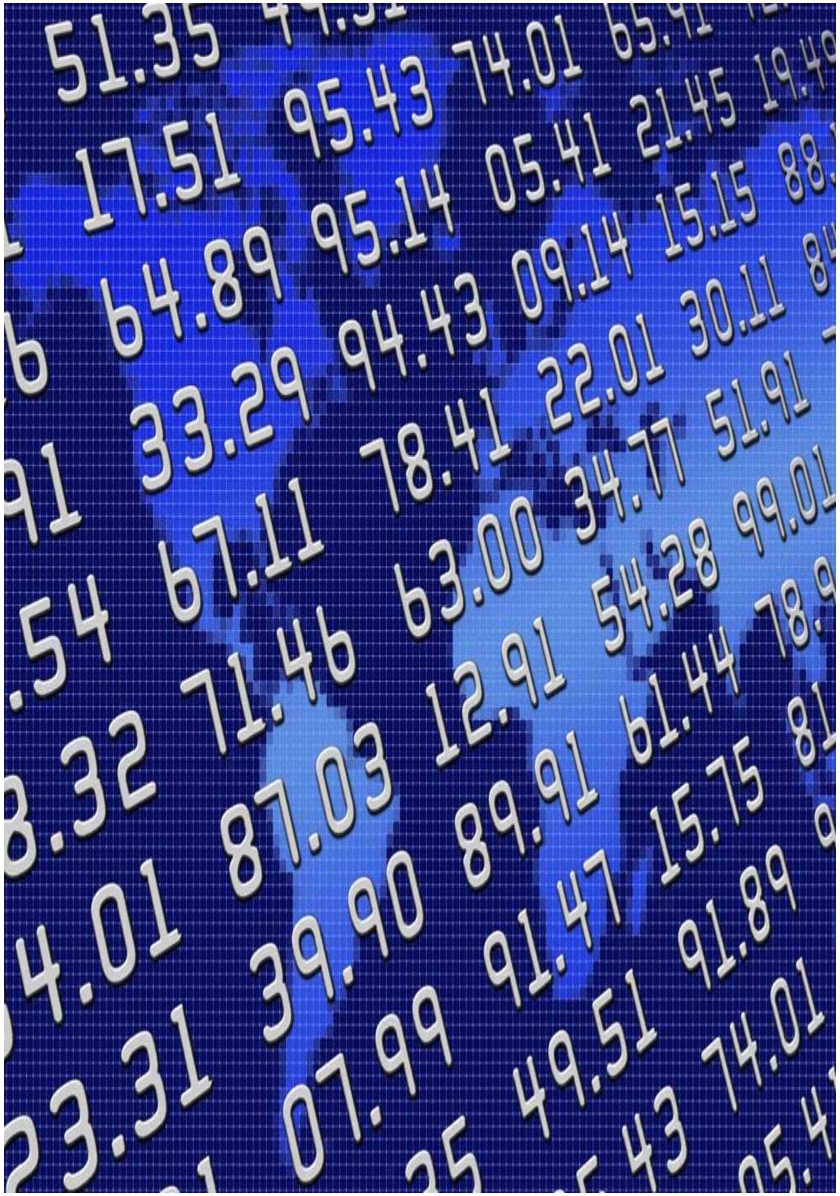
Actions started in 2013 in Markets

1. Route-to-market	▪ 40% of our distribution set-up will change ▪ Improvements in service network profitability
2. Organisation	▪ Reduction of complexity ▪ Centralisation of key support functions
3. Pricing	▪ Better price management and clear escalation model ▪ Improvement in spare parts pricing
4. Cost control	▪ Reduction of indirect and over head costs
5. Sales enablers	▪ Performance management ▪ Central dealer management

Improving margins by reducing costs

- Design-to-cost process started in all product lines in 2013
  - Supplier consolidation
  - Changes in design
- No in-house component production
  - Outsourcing completed in Hudiskvall, Sweden and Dundalk, Ireland
- Global sourcing footprint moving from high cost to low cost countries
- Average material cost reduction of 5–10 percent
- Product portfolio streamlining
- Numerous new products

January–December financials



Highlights of Q4

- Orders grew 35% y-o-y and totalled EUR 958 (710) million
- Sales at EUR 914 (890) million, up 3% y-o-y
- Operating profit excluding restructuring costs was EUR 38.6 (39.9) million or 4.2 (4.5)% of sales
- Operating profit was EUR 15.3 (14.2) million
- Cash flow from operations increased to EUR 133.9 (90.7) million
- Dividend proposal EUR 0.42/B share
- Acquisition of Aker Solutions' mooring and loading systems unit closed in January 2014

CARGOTEC

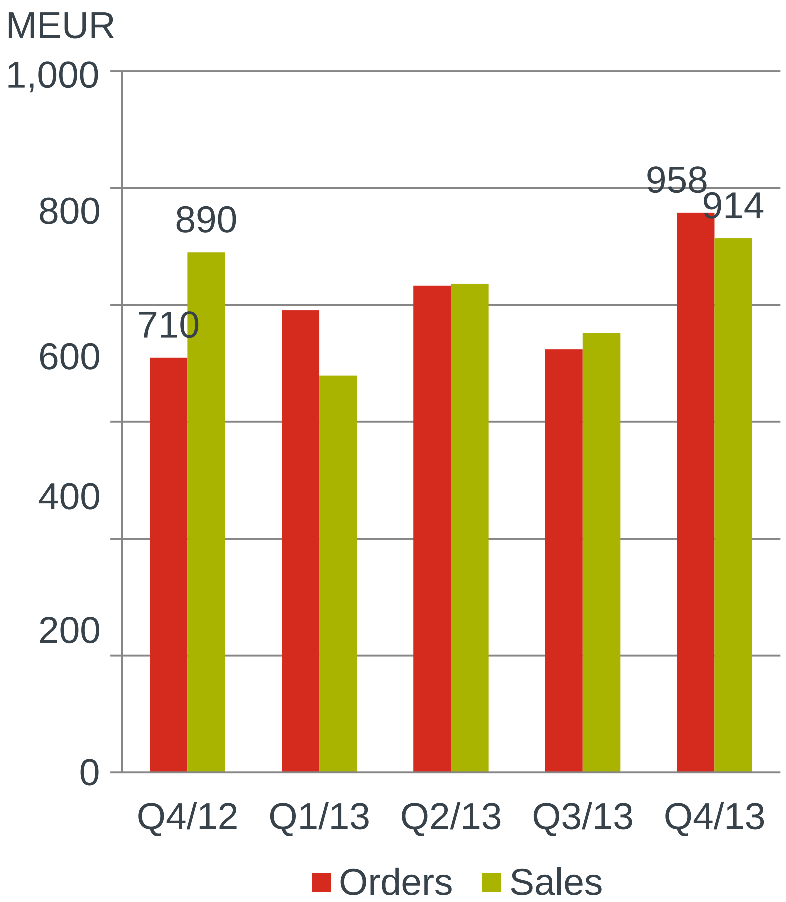
January–December key figures

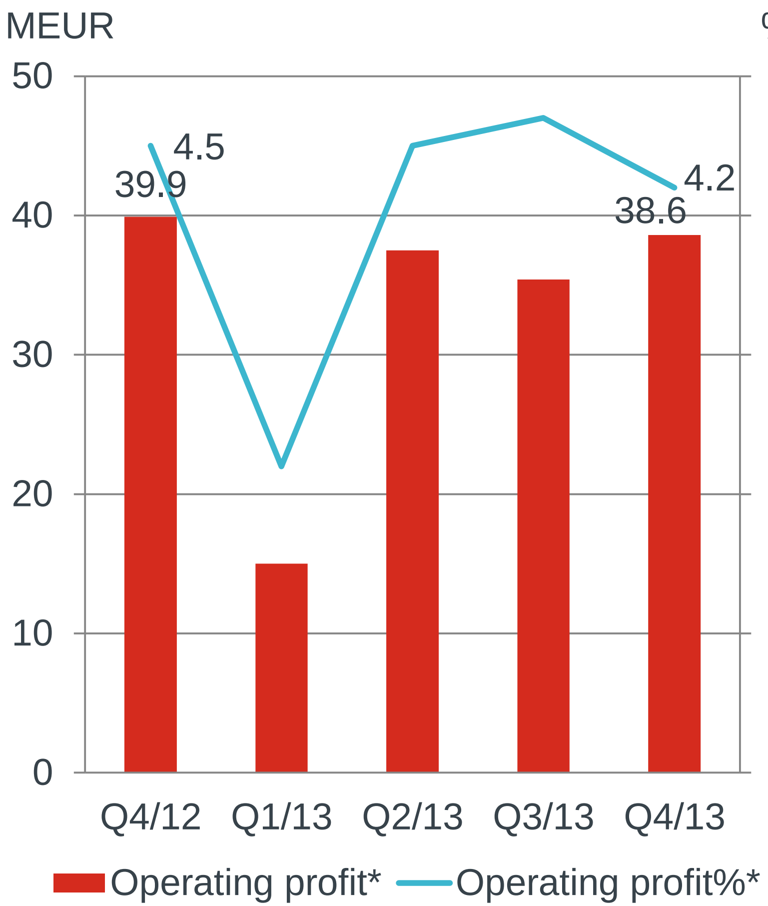
	Q4/13	Q4/12	Change	Q1-Q4/13	Q1-Q4/12	Change
Orders received, MEUR	958	710	35%	3,307	3,058	8%
Order book, MEUR	1,980	2,021	-2%	1,980	2,021	-2%
Sales, MEUR	914	890	3%	3,181	3,327	-4%
Operating profit, MEUR*	38.6	39.9	-3%	126.5	157.5	-20%
Operating profit margin, %*	4.2	4.5		4.0	4.7	
Cash flow from operations, MEUR	133.9	90.7		181.1	97.1	
Interest-bearing net debt, MEUR	578	478		578	478	
Earnings per share, EUR	0.12	0.15		0.89	1.45	

* excluding restructuring costs

CARGOTEC

Performance development

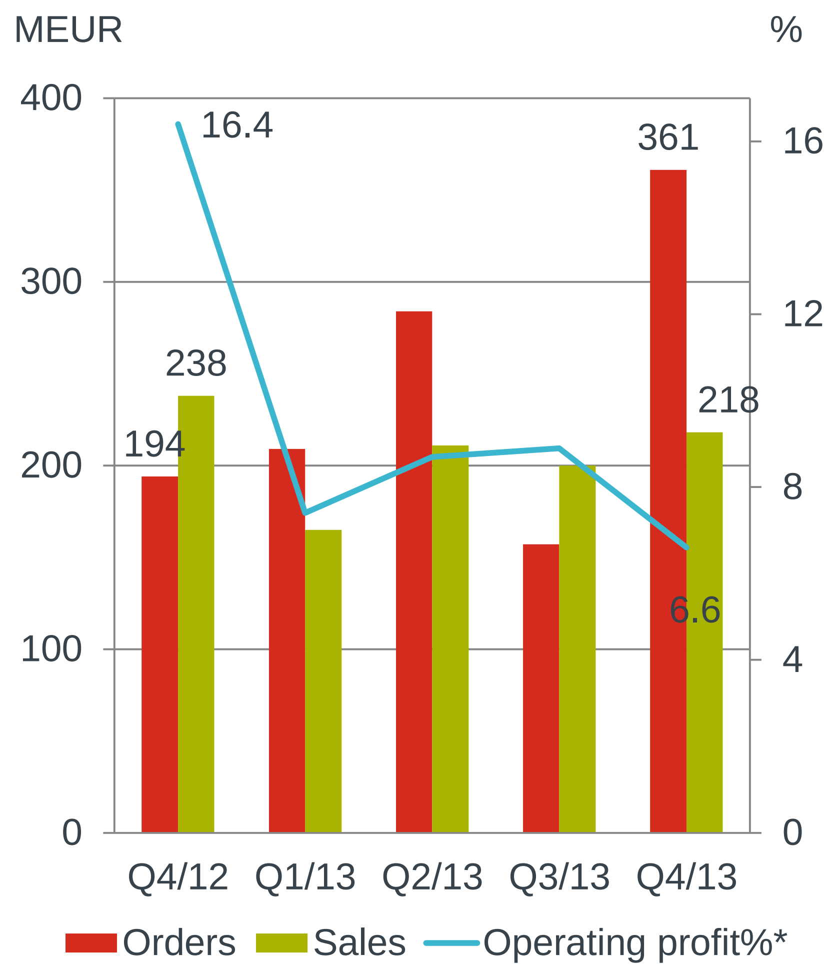




* excluding restructuring costs

MacGregor Q4 – strong orders

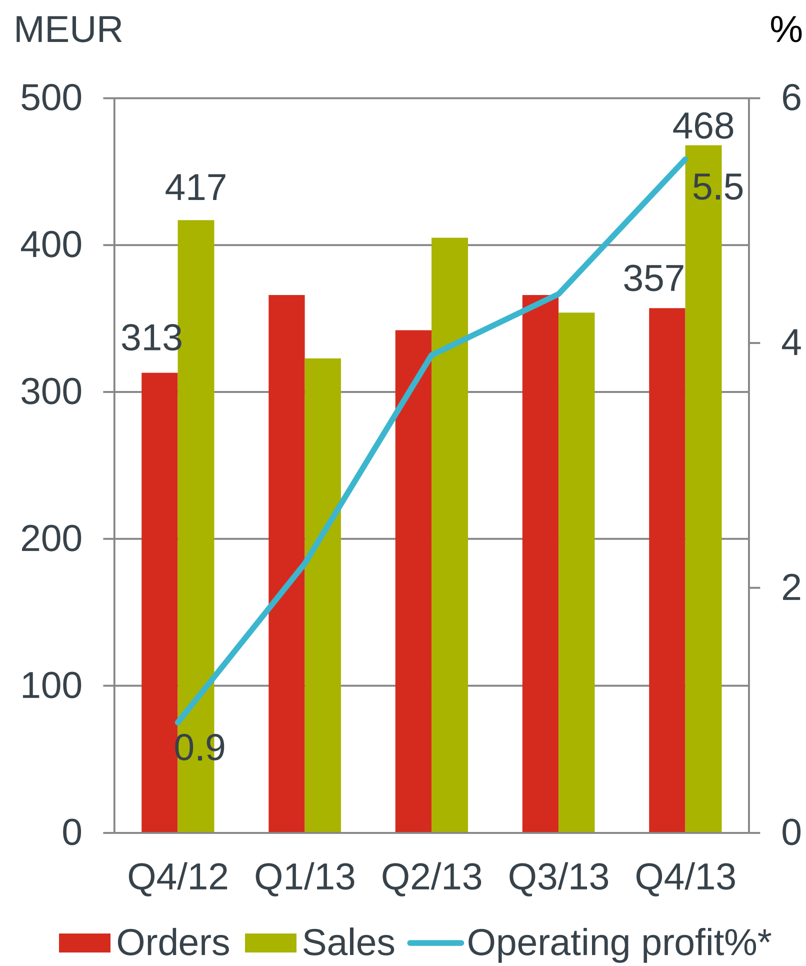
- Merchant ship market continued to recover, although uncertainty in the industry continued, as demonstrated by the volatility in market activity
- Offshore market remained active
- Order intake grew 86% y-o-y to EUR 361 (194) million
- Sales declined 8% y-o-y to EUR 218 (238) million
  - Hatlapa's contribution EUR 18 million
- Profitability 6.6% (excluding restructuring)
  - Negative impact of Hatlapa EUR 2.3 million
  - EUR 4.5 million of acquisition related costs



* excluding restructuring costs

Kalmar Q4 – profitability improvement on track

- Demand for smaller container handling equipment and automation solutions was healthy, while demand for larger equipment picked up during the year
- Order intake grew 14% y-o-y to EUR 357 (313) million
- Sales grew 12% y-o-y to EUR 468 (417) million
- Profitability excluding restructuring costs was 5.5%
  - Additional costs and cost provisions of EUR 10 million in projects (2013: 34 MEUR)
- Year-end order book includes EUR 60 million of problem projects

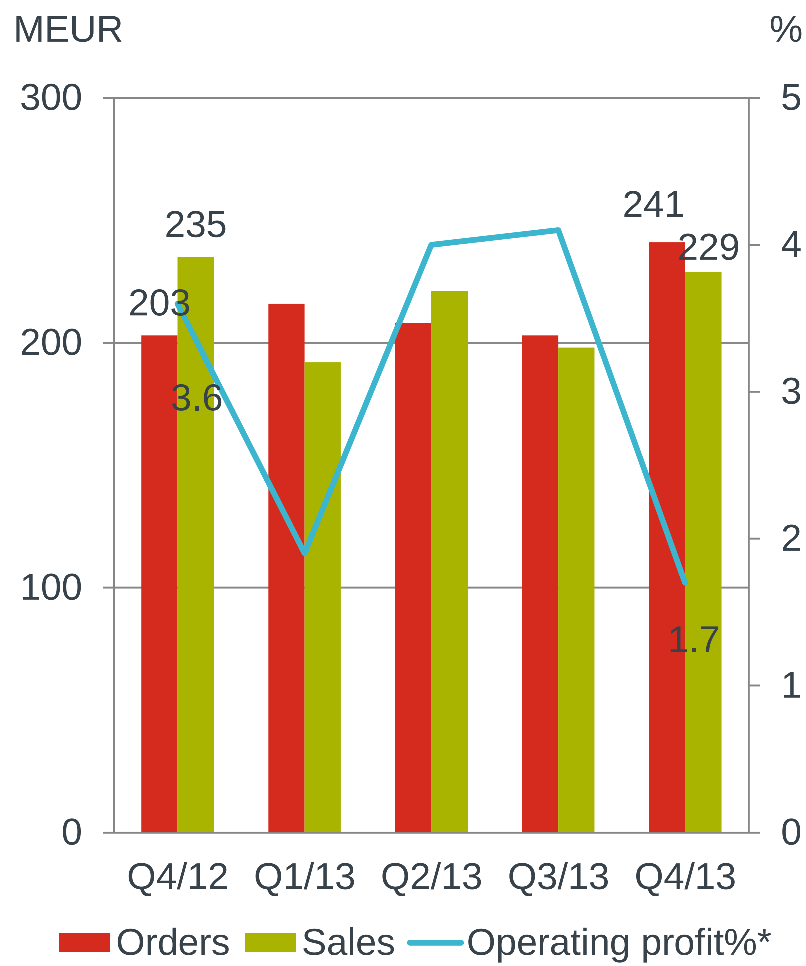


* excluding restructuring costs

CARGOTEC

Hiab Q4 – one-offs burdened profitability

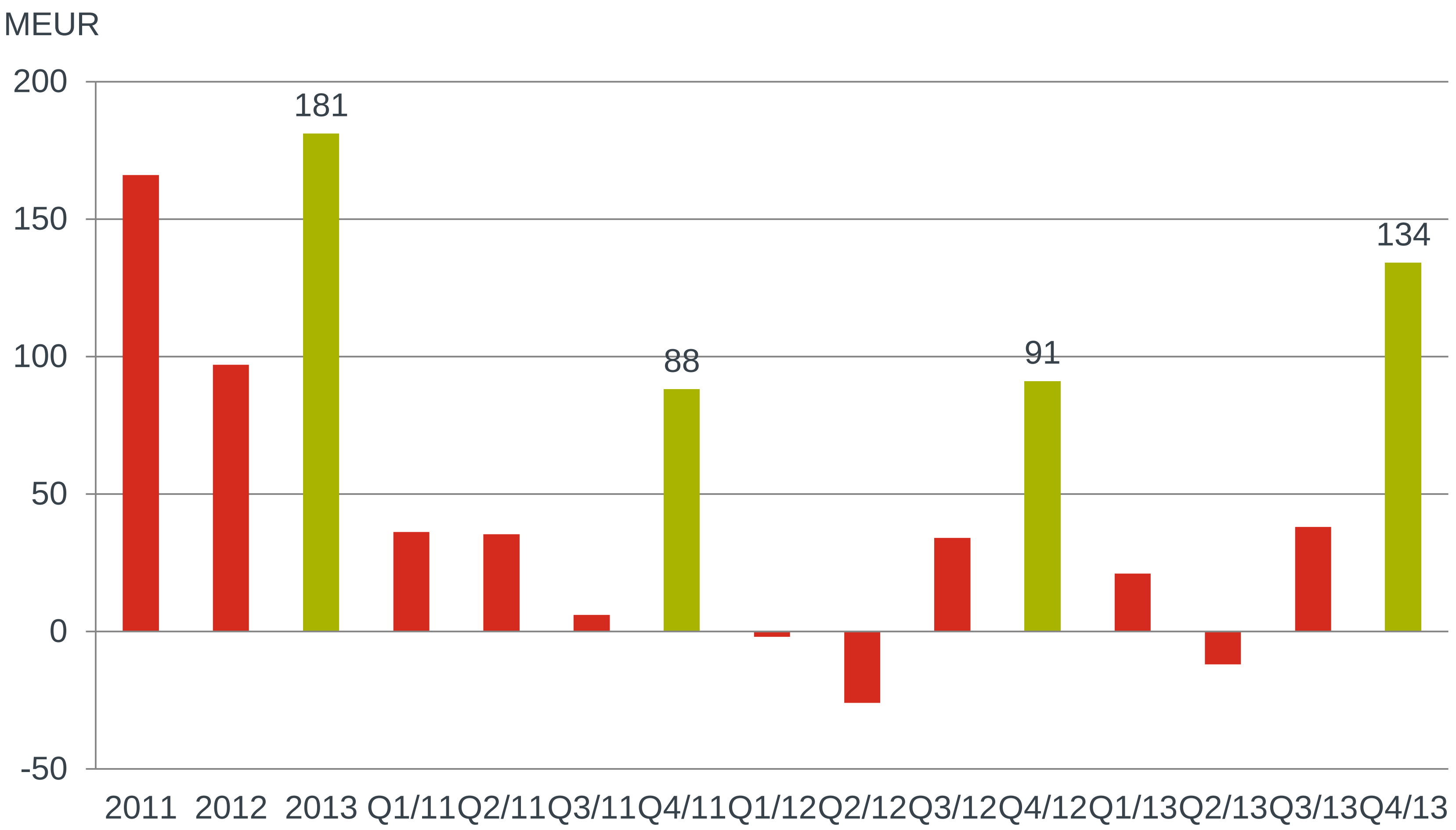
- The load handling equipment and services market was flat, and characterised by demand variations within European countries. Demand was healthy in the US.
- Orders grew 19% y-o-y and totalled EUR 241 (203) million
- Sales declined 3% y-o-y to EUR 229 (235) million
- Profitability excluding restructuring costs was 1.7%
  - Write-downs of working capital items burdened operating profit EUR 4 million
- Route-to-market and other efficiency improvement actions proceeded well. Operating loss includes EUR 16.9 (10.0) million in restructuring costs.



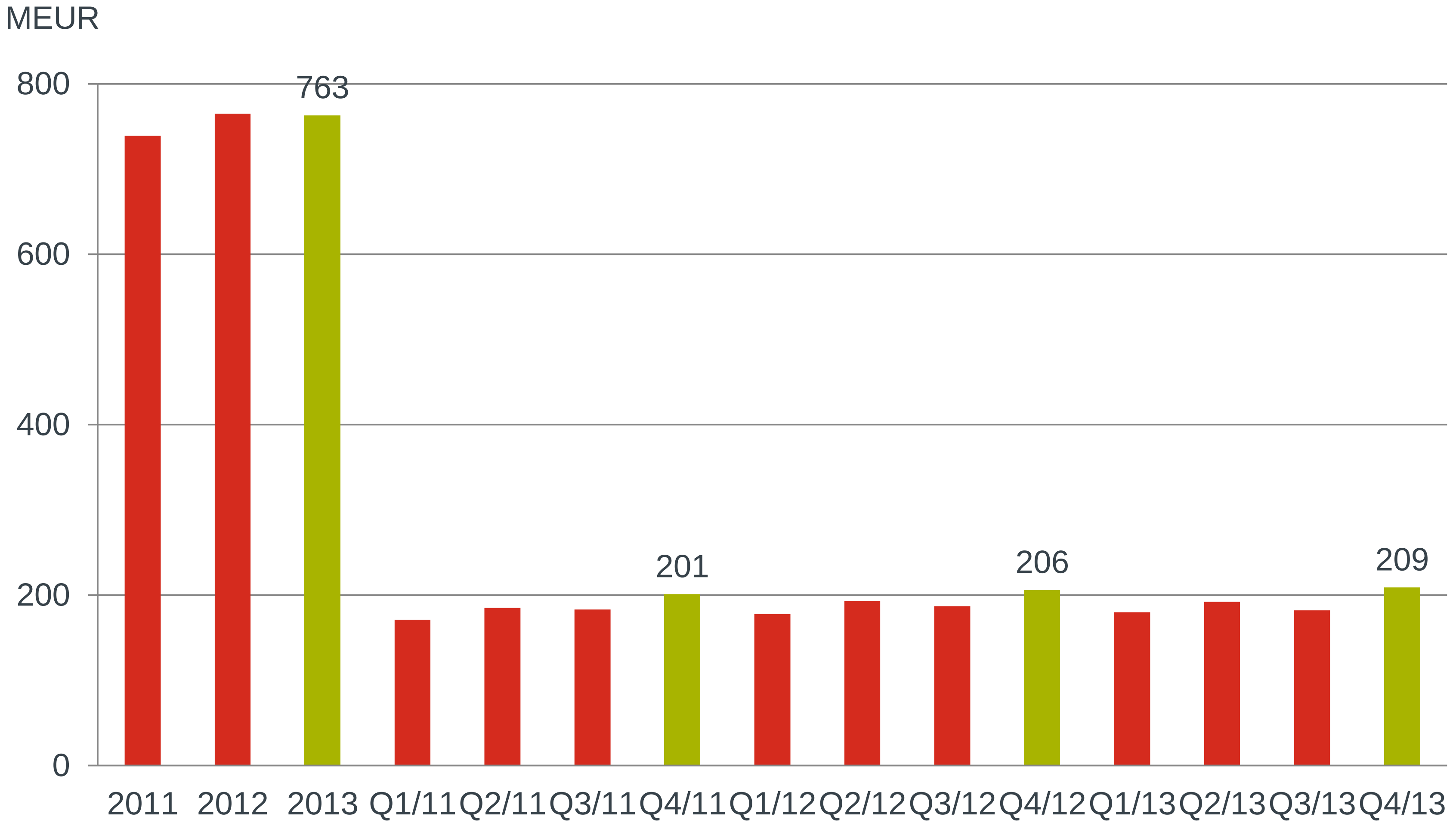
* excluding restructuring costs

CARGOTEC

Cash flow from operations strengthened clearly

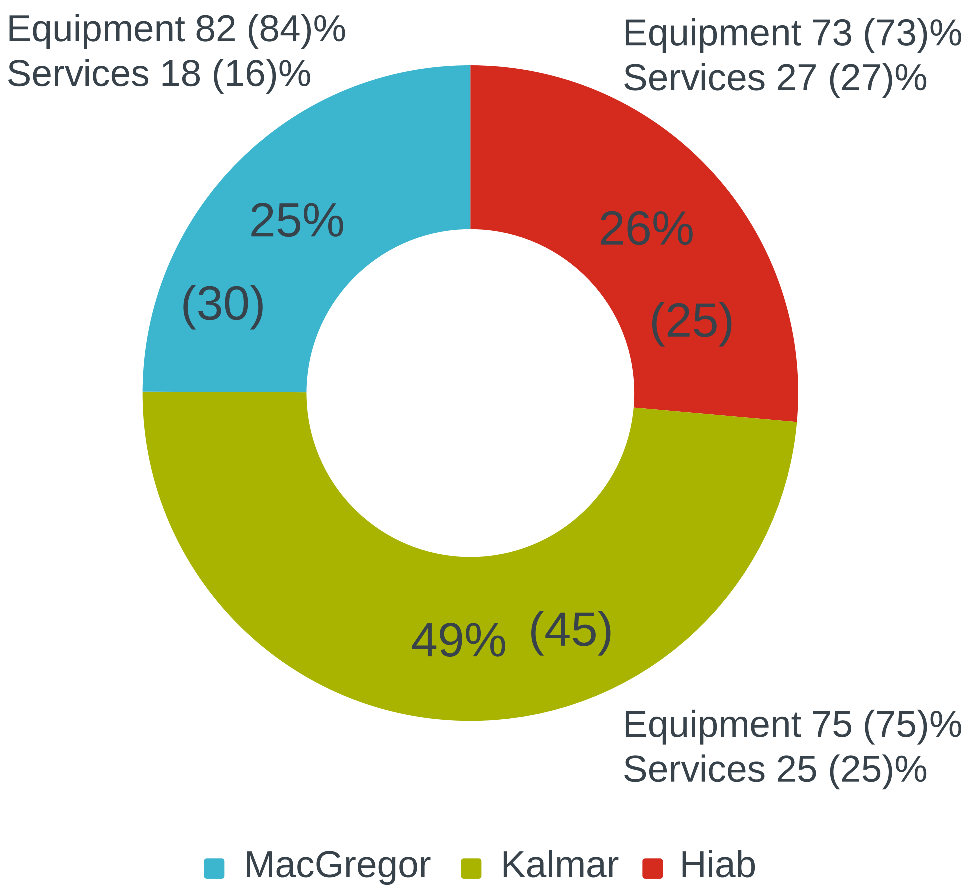


Sales in services grew from the previous quarters

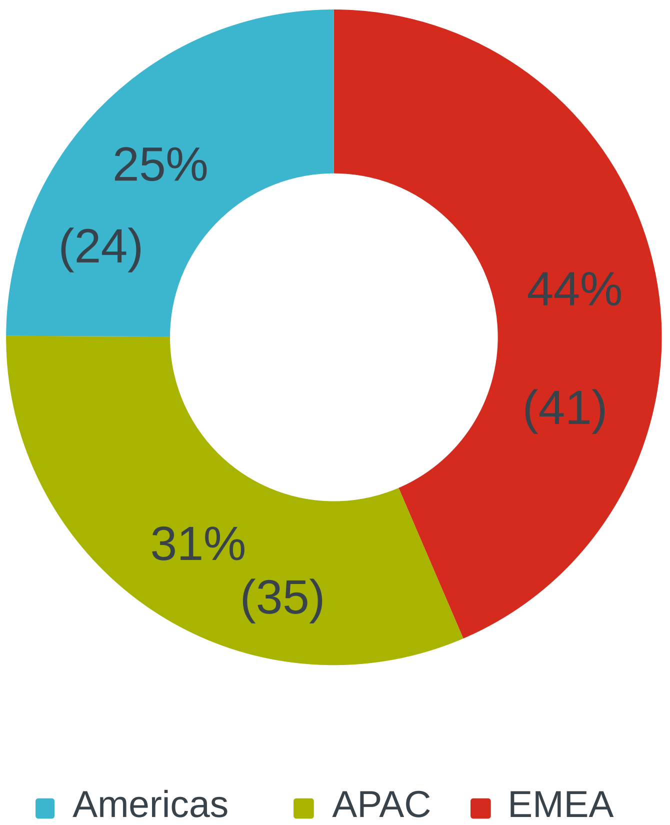


Sales by reporting and geographical segment

Sales by reporting segment 2013, %



Sales by geographical segment 2013, %



CARGOTEC

Outlook

- Cargotec's 2014 sales are expected to grow from 2013.
- Operating profit excluding restructurings costs for 2014 is expected to improve from 2013.
- The acquisition of the Aker Solution's mooring and loading systems unit was completed 30 January 2014. Consolidation of the acquisition does not impact Cargotec's above-mentioned outlook for 2014.

CARGOTEC

CARGOTEC