CARGOTEC

Q1 2014 Paris road show – 14 May 2014

Executive Vice President and CFO Eeva Sipilä

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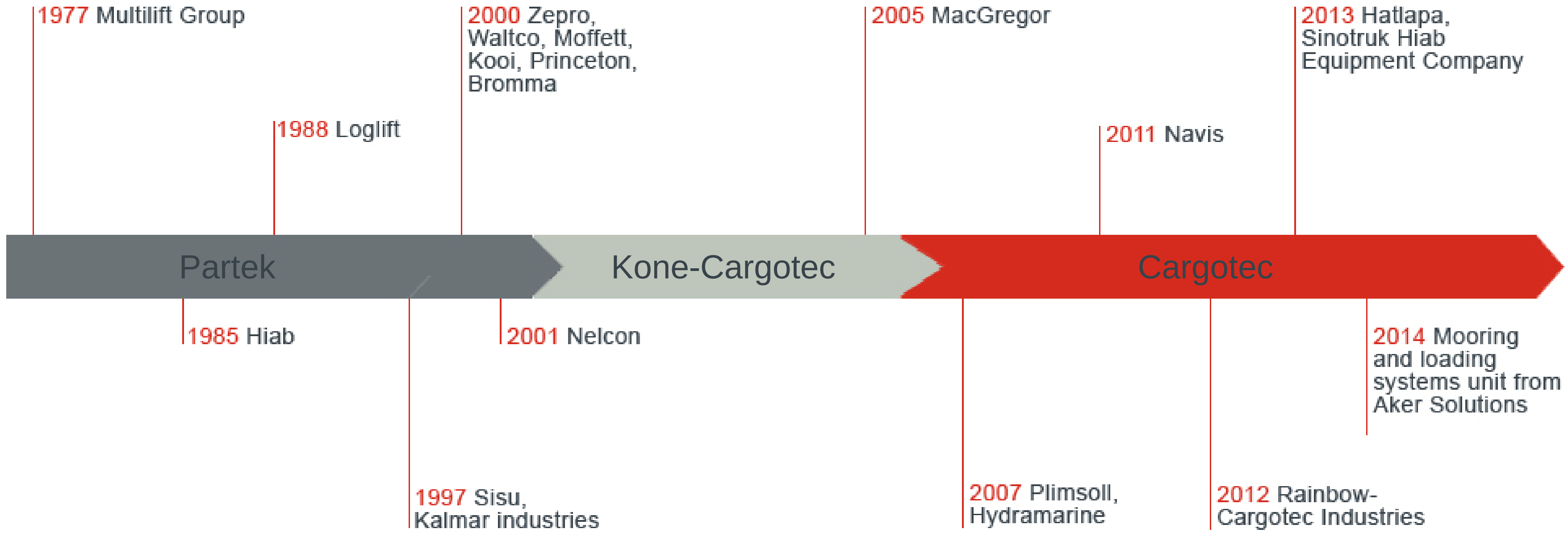
Cargotec in brief

Cargotec history

Today's Cargotec is the result of a series of mergers and acquisitions between industry leaders in cargo and load handling business.



Cargotec's business areas

MacGregor

- MacGregor offers integrated cargo flow solutions for maritime transportation and offshore industries
- Global company with facilities near ports worldwide
- Wide offering for ships, ports and terminals and offshore industry

Kalmar

- Kalmar offers the widest range of cargo handling solutions and services to ports, terminals, distribution centres and heavy industry
- Industry forerunner in terminal automation and in energy efficient container handling

Hiab

- Hiab is the global market leading brand in on-road load handling solutions
- Load handling solutions are used in various sectors of on land transport and delivery, including construction, distribution, forestry, warehousing, waste and recycling, and defence

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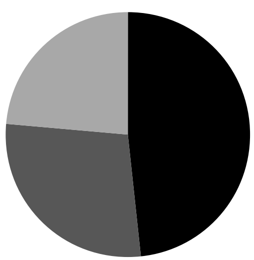
Cargotec's business basics

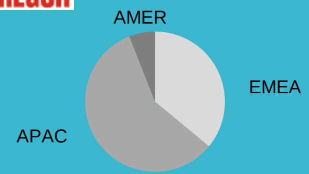
Cargotec sales split in 1-3/2013

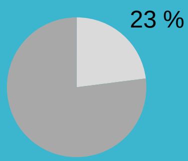
Cargotec geographical split of sales in 1-3/2014



Geographical split of sales in 1-3/2014 | **Services share of sales in 1-3/2014** | **Order to delivery lead time**

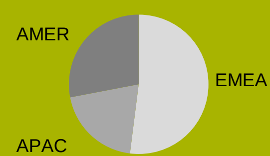
MACGREGOR

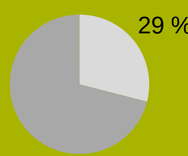




12-24 months

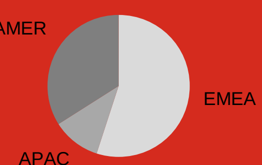
KALMAR

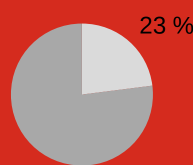




6-9 months

HIAB





2-4 months

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Key drivers for the business areas

MacGregor

- Merchant ship building
- Development of global energy demand and oil price, which have a direct impact on exploration and production (E&P) spending and investment in the oil industry
- Oil drilling moving to new locations
  - Deep sea environments and subsea installations drive demand for premium products
- Ship dry dockings, repairs and modernisations
- Preventive maintenance and on-call service needs

Kalmar

- Gross domestic product (GDP) growth is the main driver behind activities in ports and terminals and in the industrial sector
- Container traffic is an important driver for around 70 percent of Kalmar's business operations
  - Drewry Shipping Consultants estimates that global container throughput will grow by around five percent per year
  - Growth in Asia-Pacific is expected to be double that of the rest of the world
- Capacity utilisation drives services
- Bigger ships drive crane refurbishment
- Preventive maintenance and outsourcing needs

Hiab

- Hiab's business fluctuates based on truck sales and construction activity. Sentiments in the distribution, warehousing and forest businesses also affect Hiab
- Residential houses, associated roof constructions and other construction elements are increasingly built elsewhere and transported to their location
  - In mature markets, this creates a need for Hiab products, especially for high capacity equipment
  - In emerging markets, the trend involves a move away from small transportation packages
- Crane utilisation and increased remote diagnostics drive services

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'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

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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

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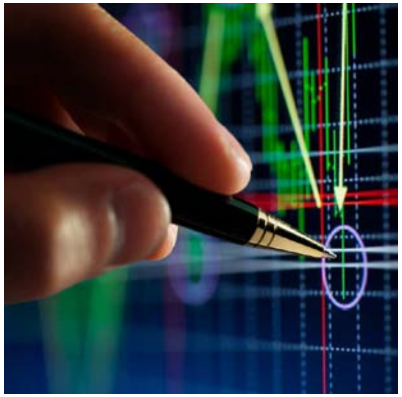
Driving for better performance



Cargotec road map

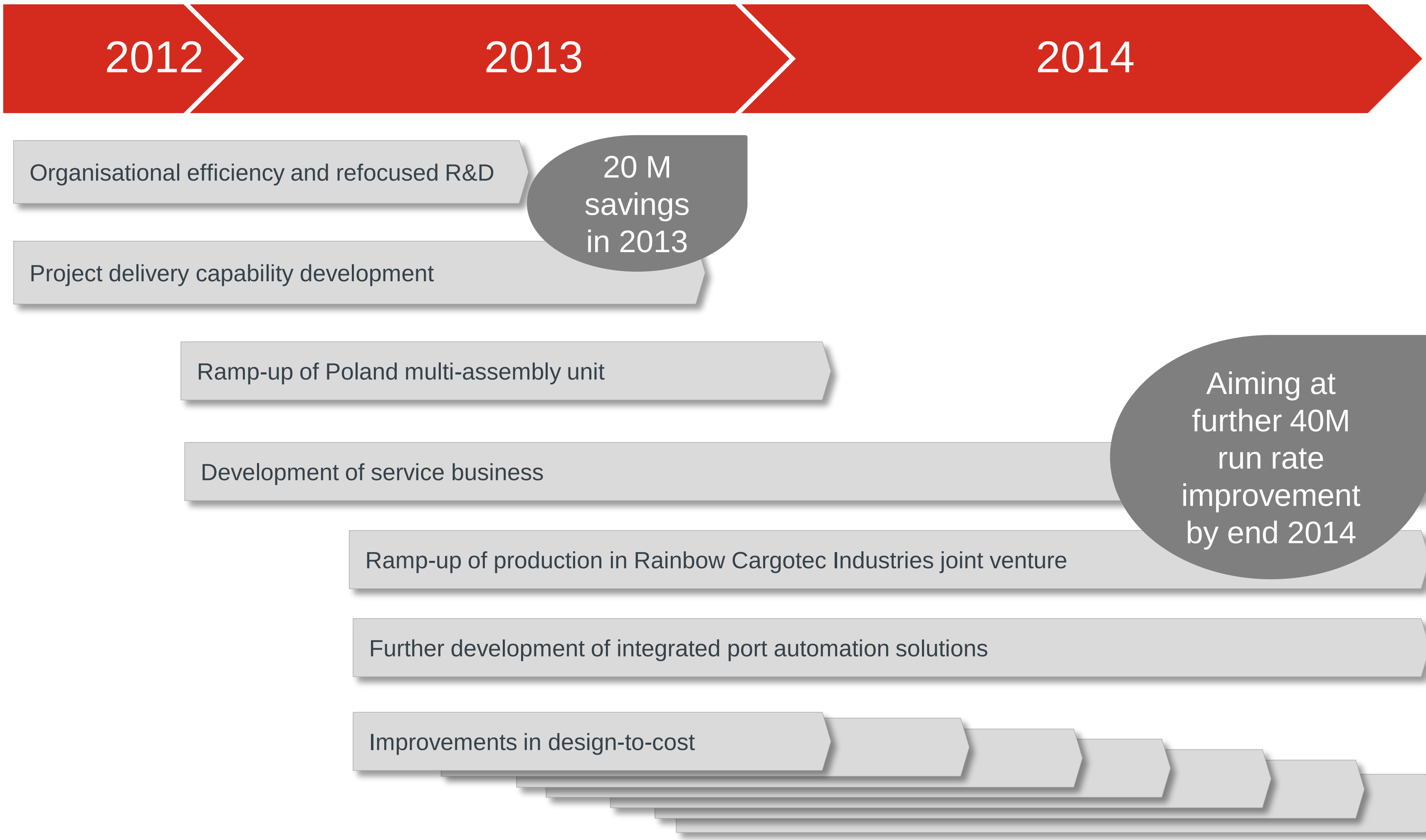
2013 | 2014 | 2015

Phase 1
Reconfirm and execute key improvement initiatives

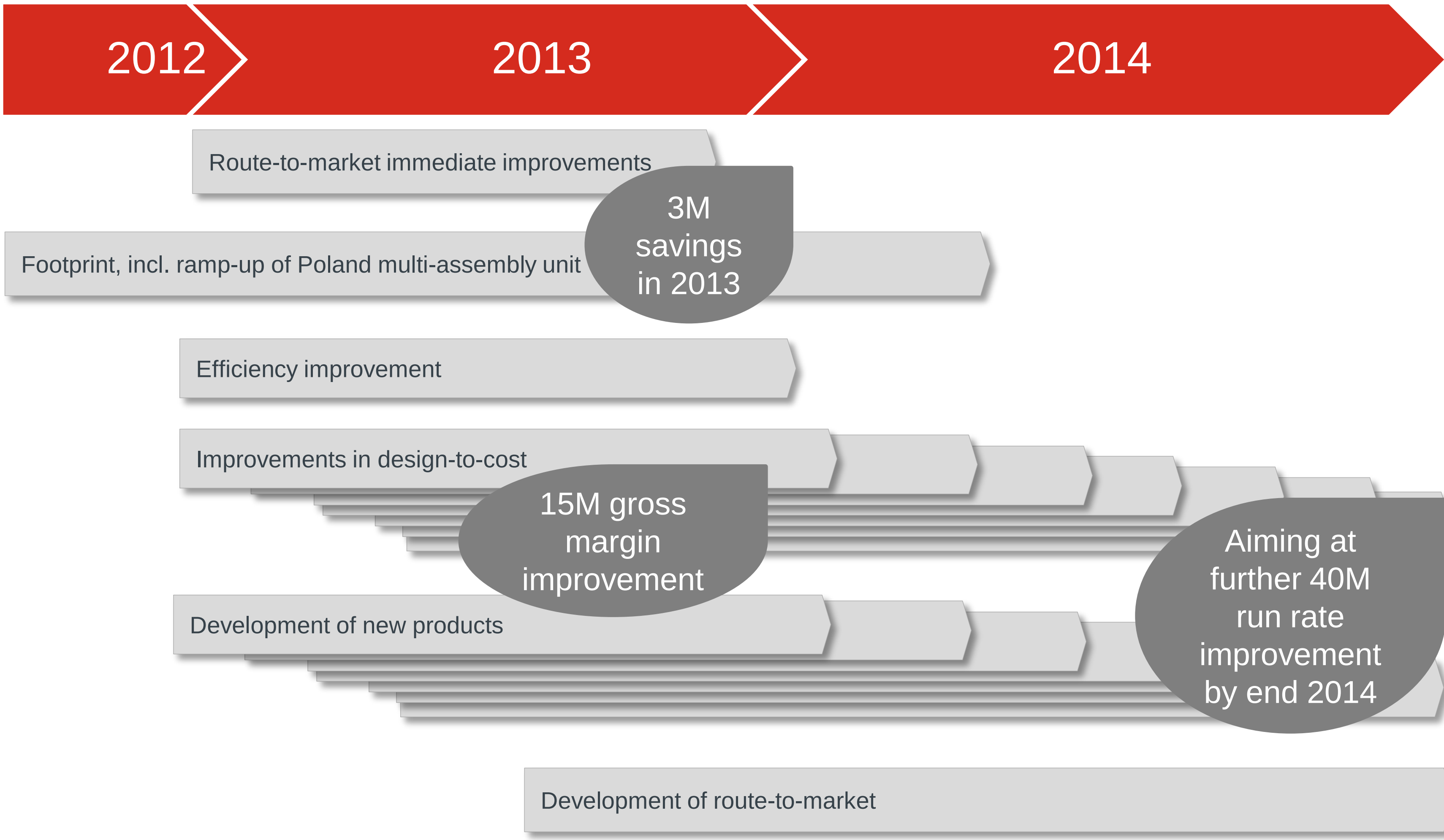
Phase 2
Drive 'on par' performance

Phase 3
Drive superior performance and competences in focused portfolio

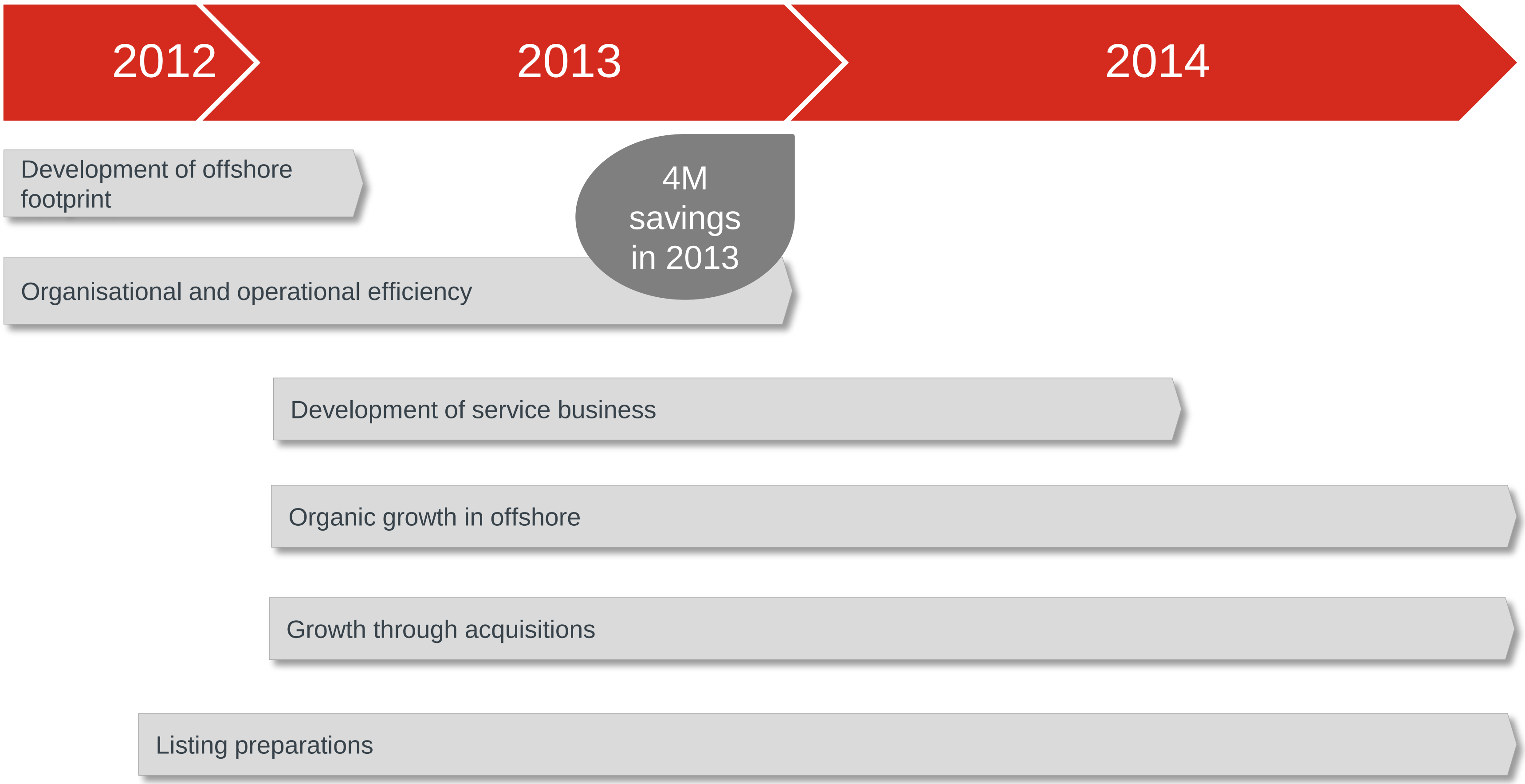
Kalmar improvement initiatives



Hiab improvement initiatives



MacGregor improvement initiatives



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MacGregor

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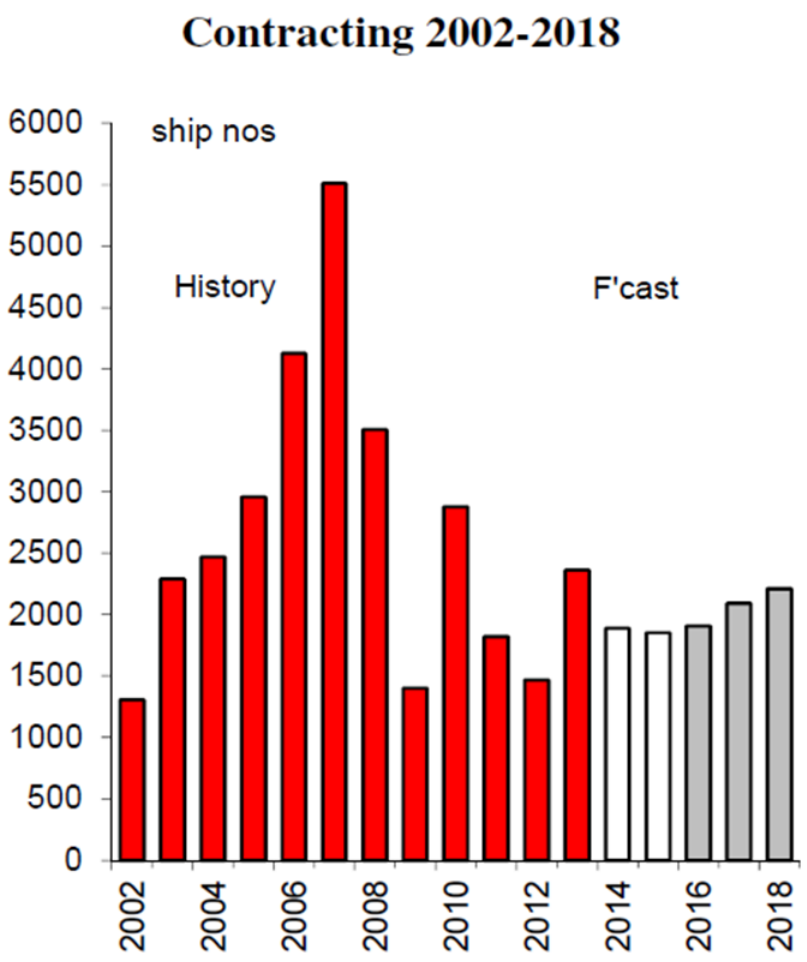
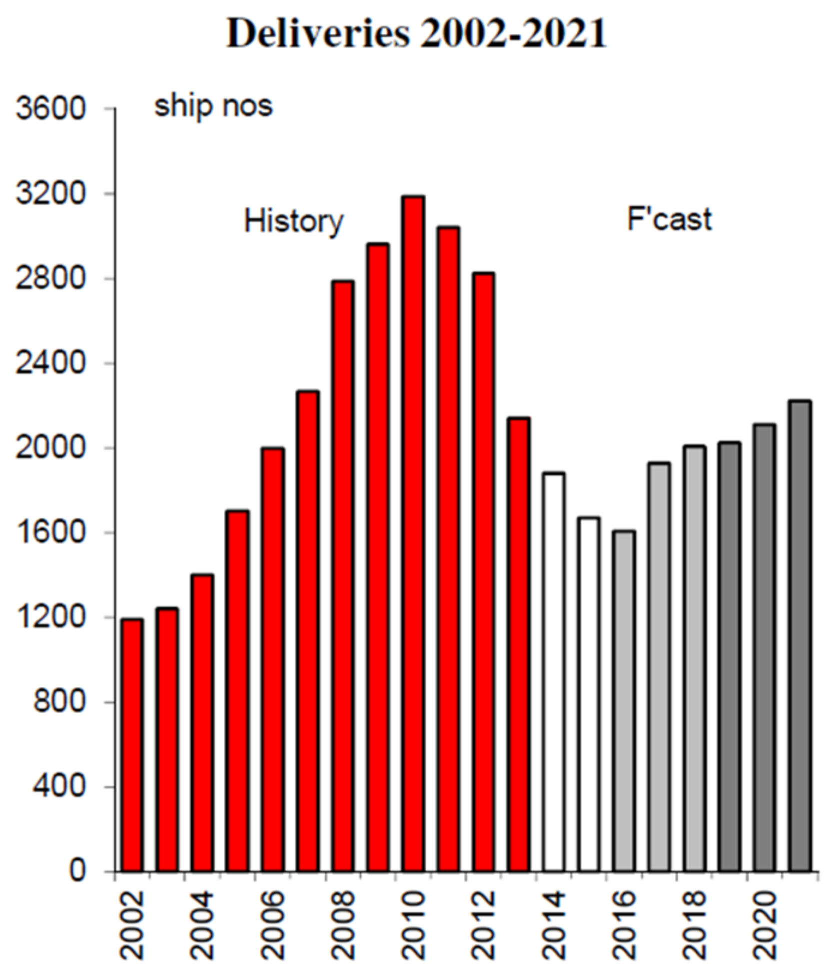
Merchant ship contracting forecast





Source: Clarkson Shipbuilding forecast, March 2014

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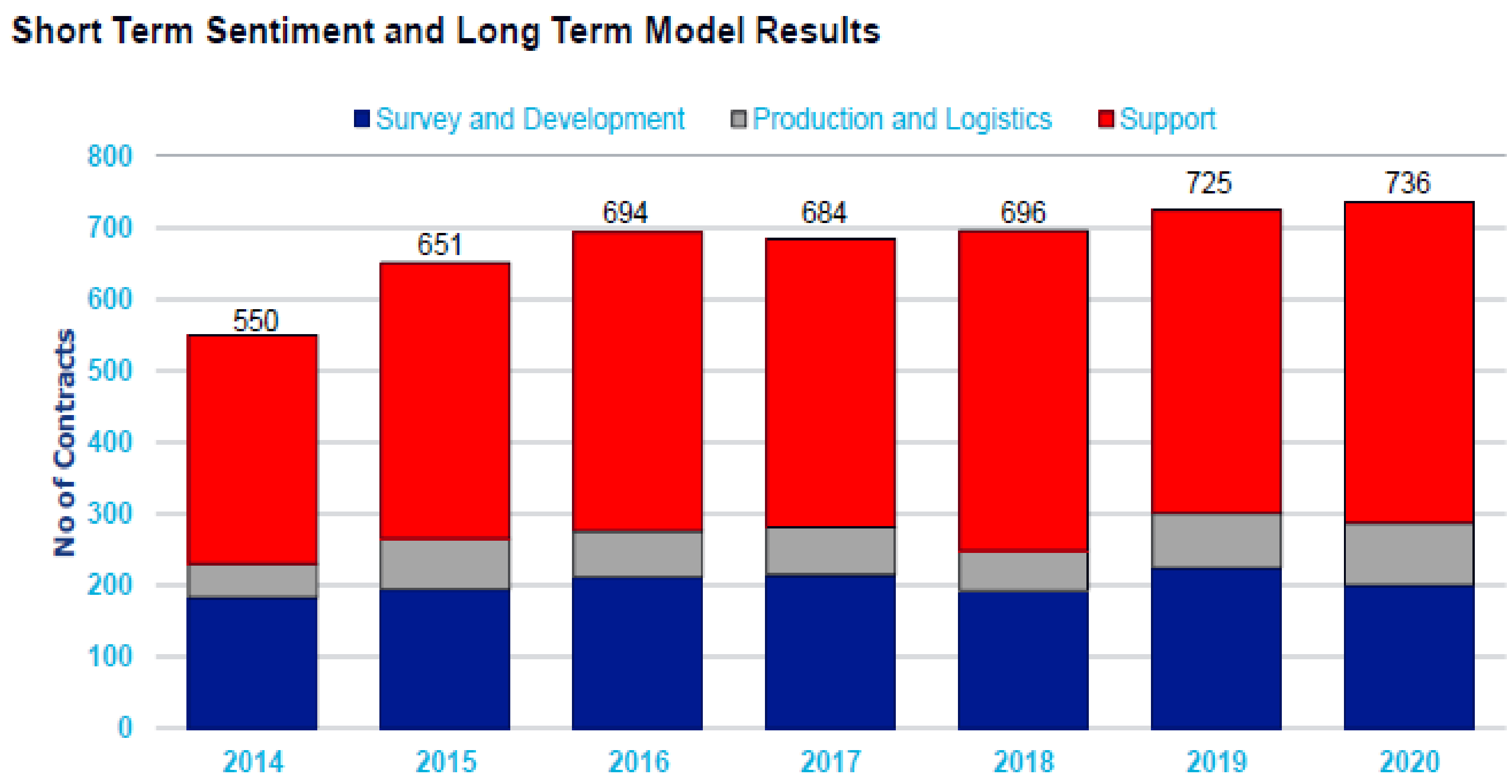
Offshore ship contracting forecast



Source: Clarkson Offshore forecast, March 2014

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

#2

Mooring systems

#2

Loading systems

Services

RoRo=roll-on/roll-off

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 (green)		X	Customers
	Container ship	X	X			X (green)		X	
	General cargo ship	X	X	X		X (green)		X	
	Naval ship	X	X			X (green)		X	
	RoRo ship	X	X	X		X (green)		X	
	Tanker	X				X (green)		X	
	Trans-loader	X	X			X (green)		X	
Offshore ships	OFS subsea		X	X	X	X, X (green)	X (green)	X	Customers
	OFS AHTS				X	X, X (green)	X (green)	X	
	OFS tug					X, X (green)	X (green)	X	
	New ship types								

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

X Existing   X Via Hatlapa & MLS

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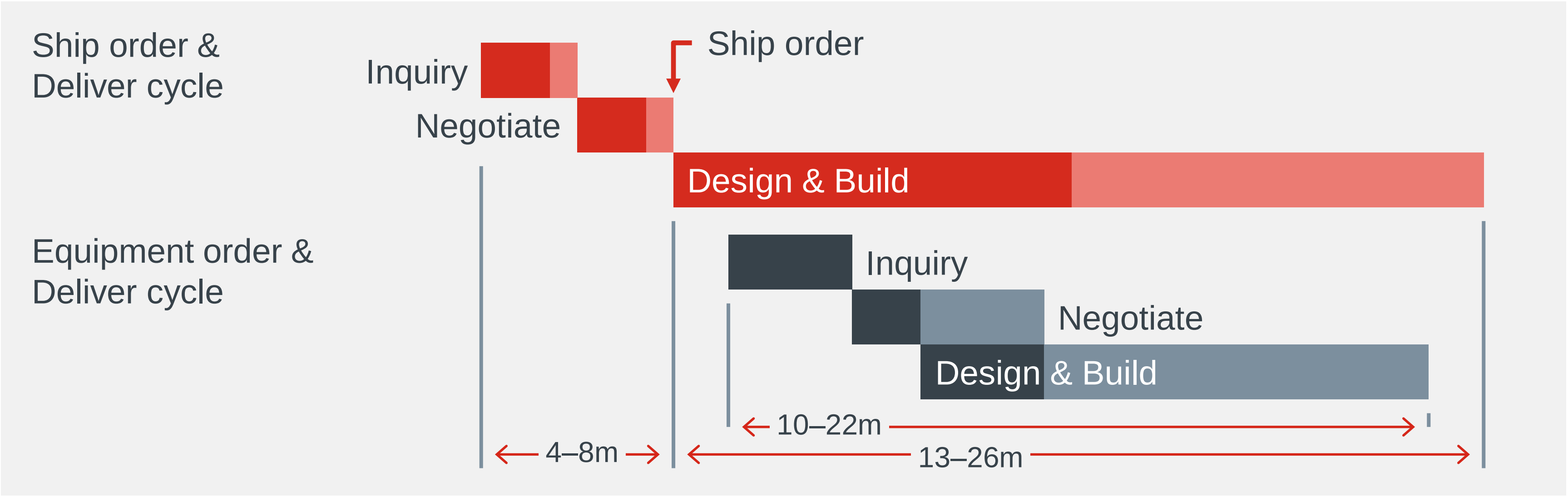
What to expect from MacGregor in 2014

- 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 and MLS synergies
  - Procurement
  - Cross-selling with MacGregor



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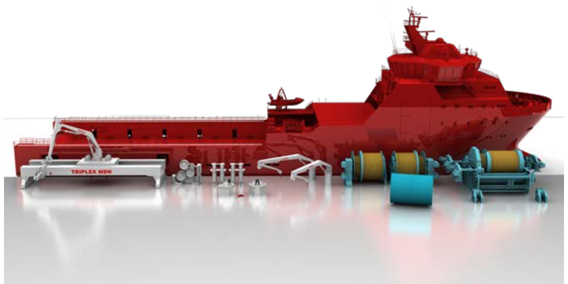
Hatlapa strengthens merchant and offshore offering

- 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 MLS 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

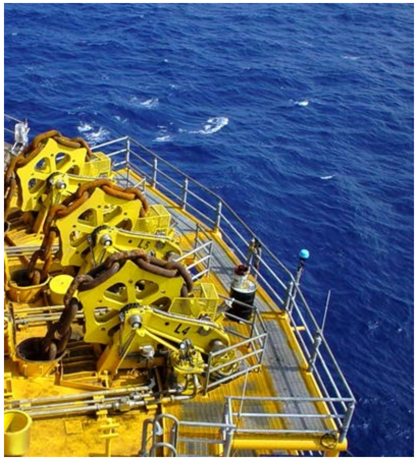
Mooring winches

Hatlapa offshore package



MLS 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



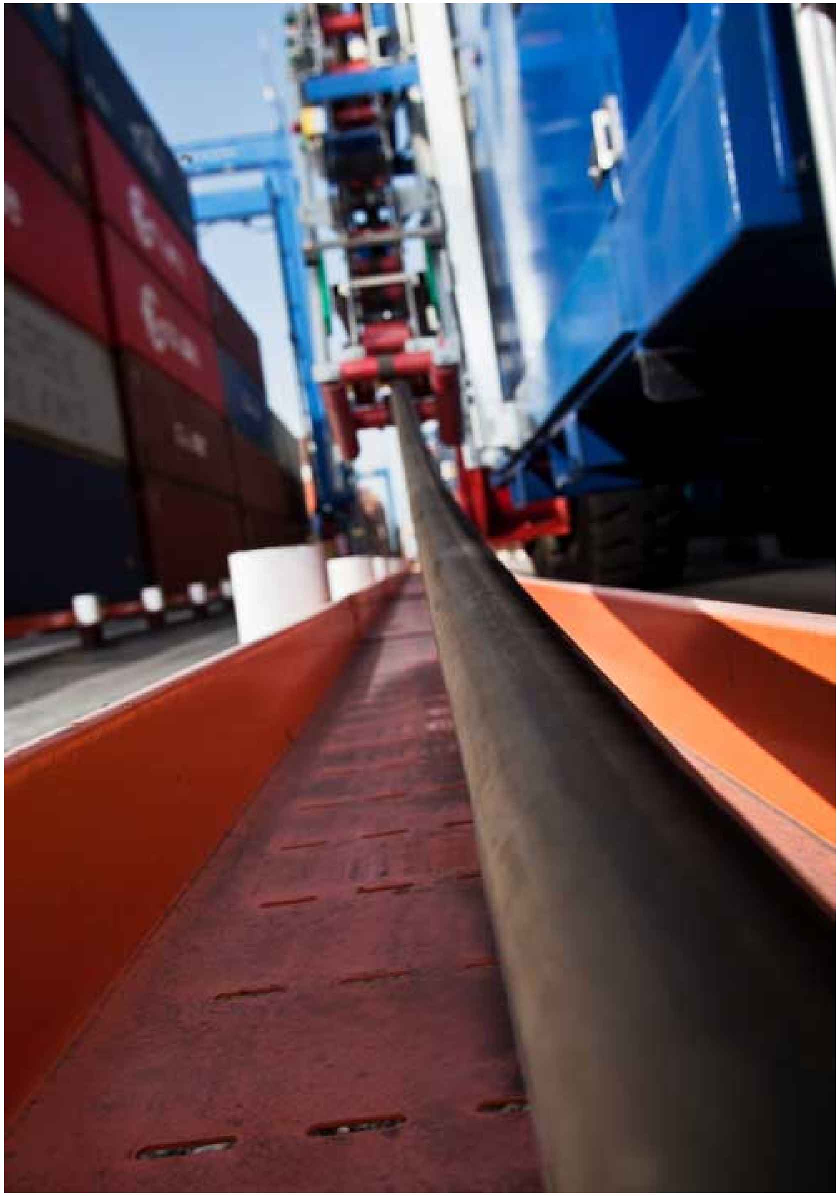
Integration of acquisitions ongoing in MacGregor

- Hatlapa consolidated in segment as of 1 Nov 2013 and MLS as of 1 Feb 2014

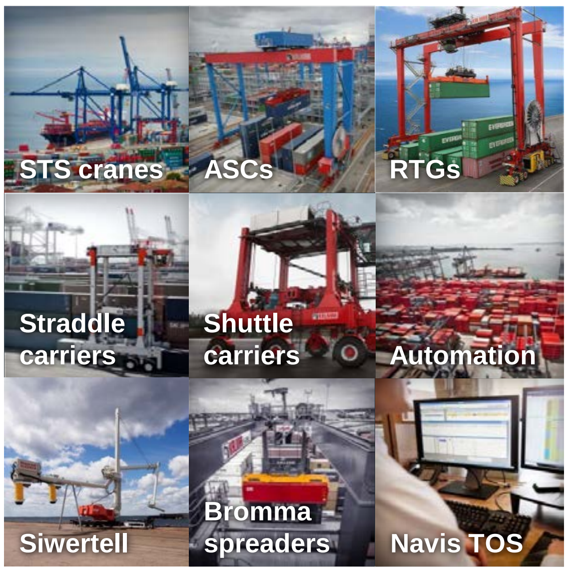
- MacGregor is seeking significant synergy gains that will improve profitability
  - The impact is dependent on the efficiency and speed of the integration
  - Synergy gains will be mainly be realised from new sales and efficiency improvement in supply chain

    → Due to long lead times in the business, the impact of new sales and supply chain synergies will become more visible in profitability from 2015
  - In 2014, MacGregor targets new orders for a total value exceeding EUR 50 million with the new combined offering

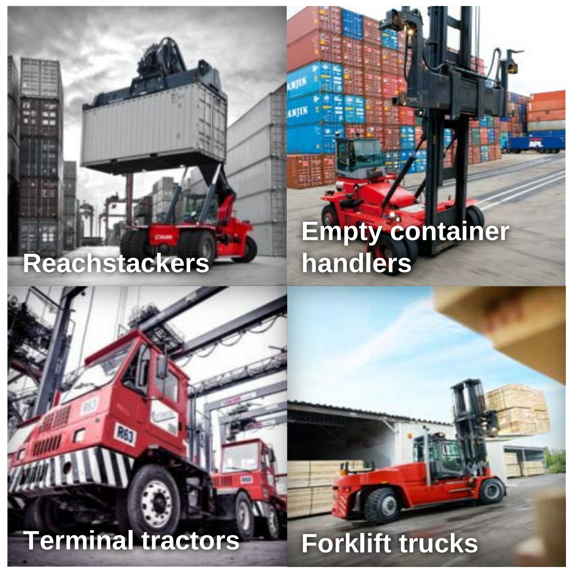
Kalmar



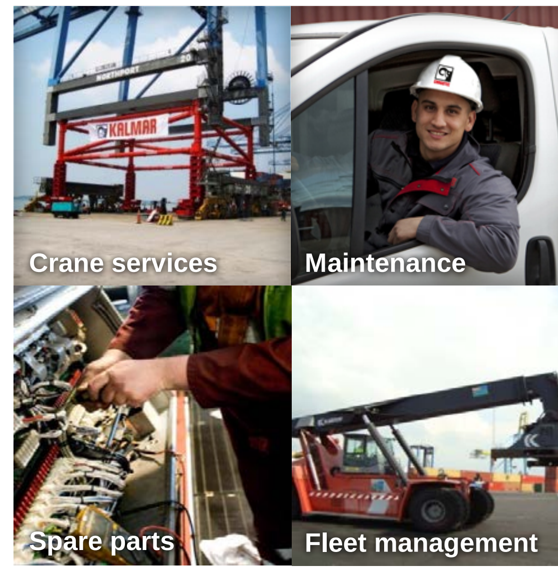
Kalmar businesses and offering



Terminal projects 35%



Equipment 40%



Services 25%

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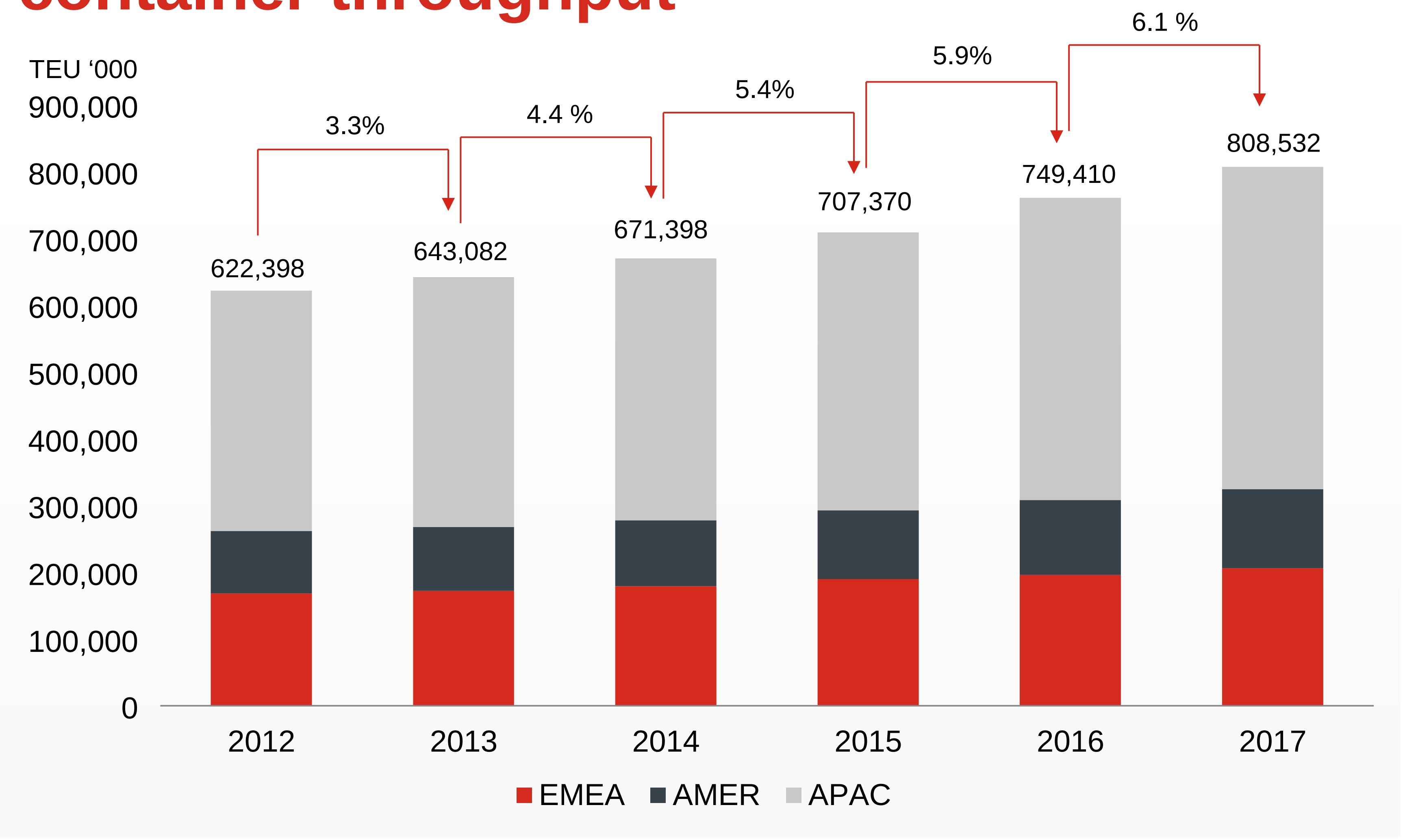
Kalmar is in a growing business – global container throughput



Source: Drewry 2013/2014

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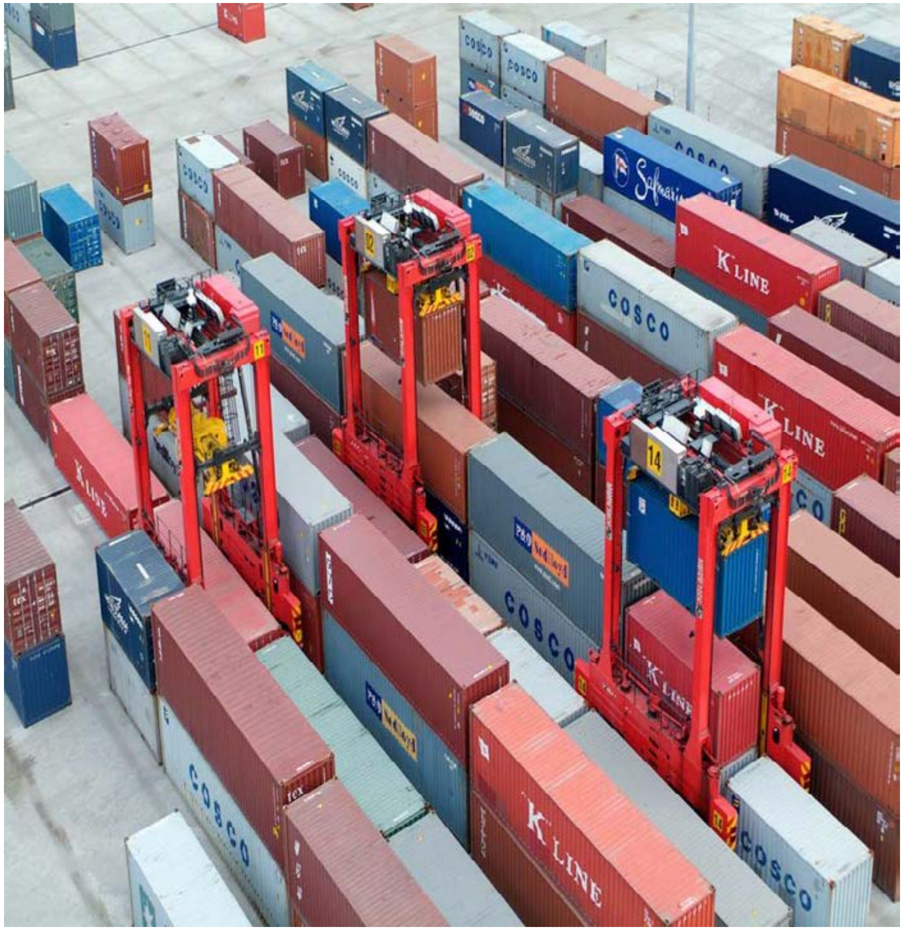
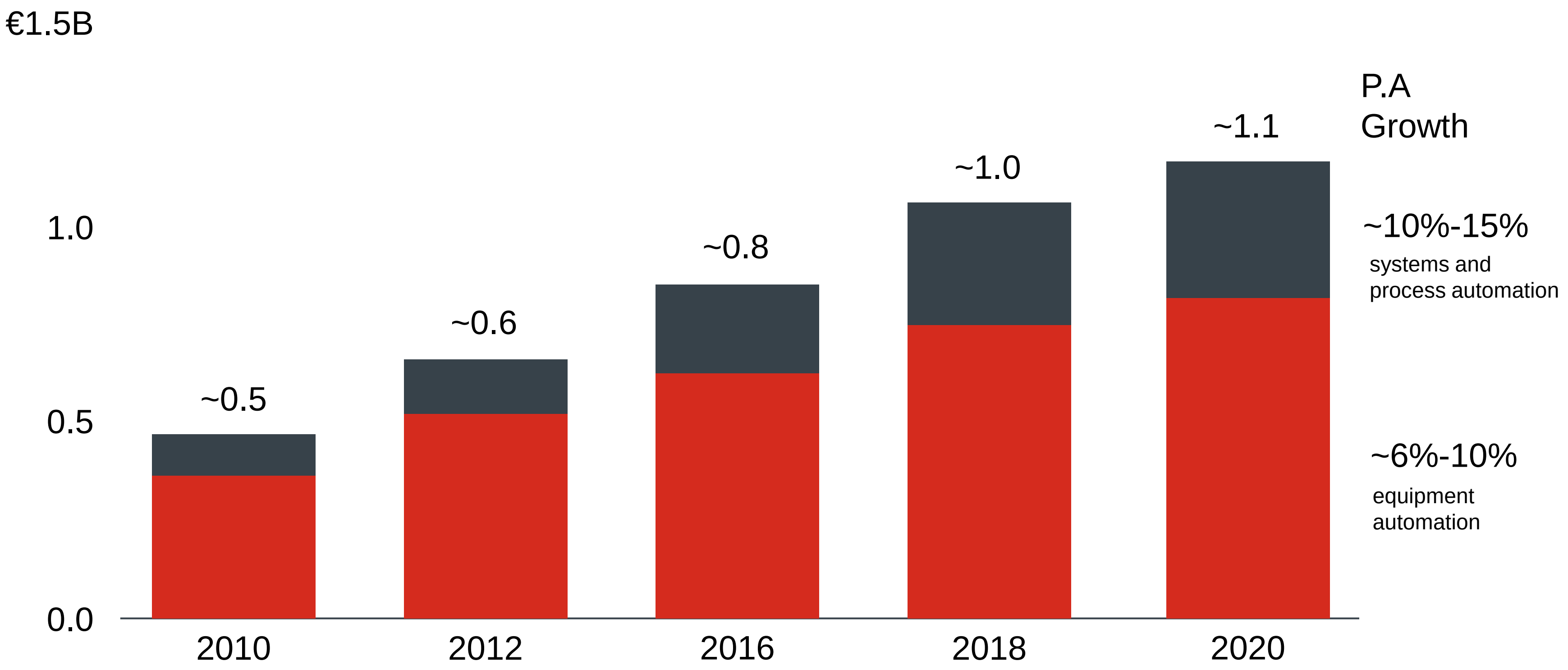
Industry trends for Kalmar

- 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

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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%

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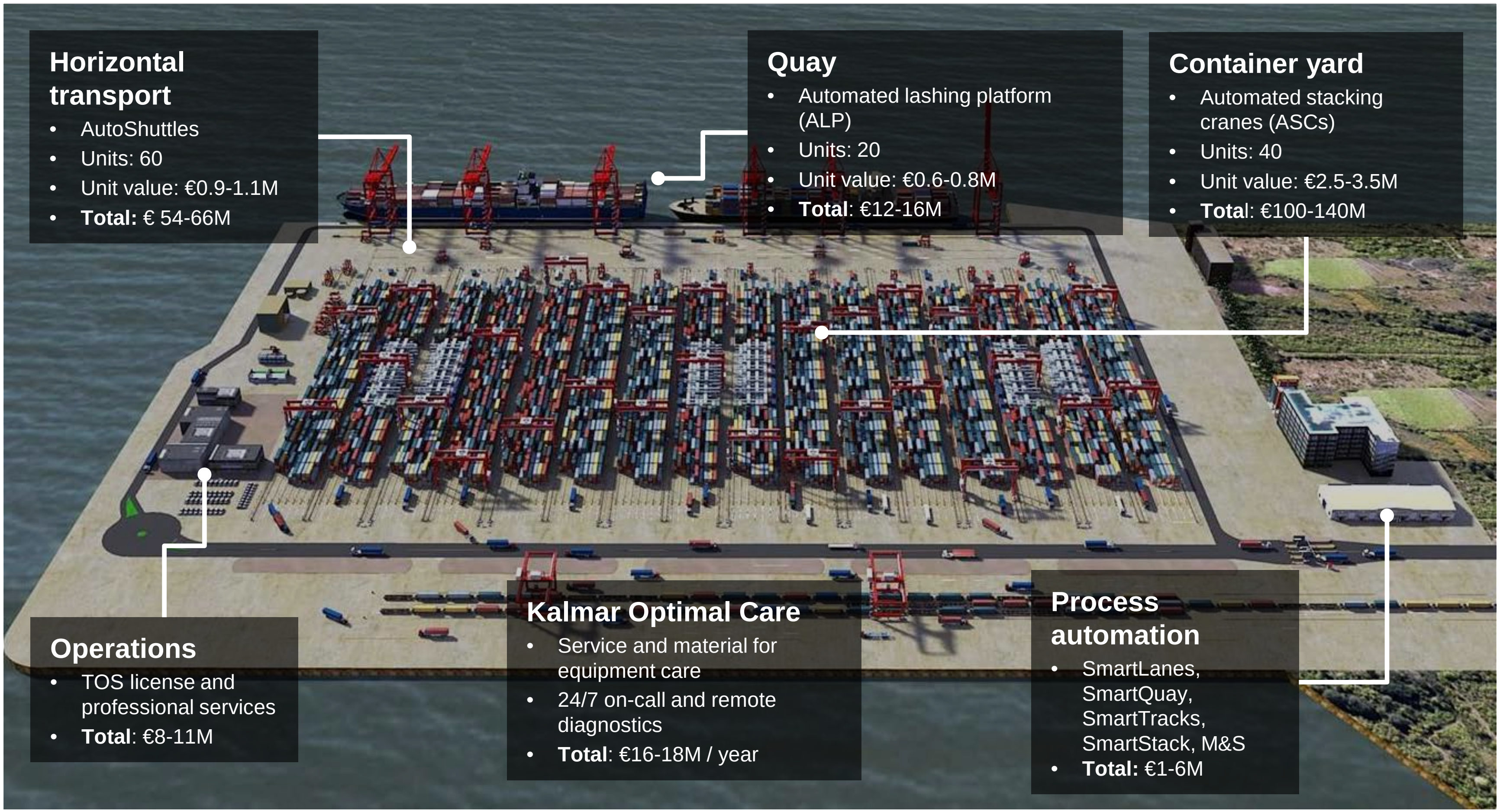
Example of an automated terminal project

TERMINAL CAPACITY: 3 MILLION TEU / YEAR

TOTAL KALMAR SCOPE APPROX. EUR 190-260 MILLION



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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

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Hiab

Hiab offering

Loader cranes

Truck-mounted forklifts

Demountables

Tail lifts

Forestry cranes

Stiff boom cranes

Services

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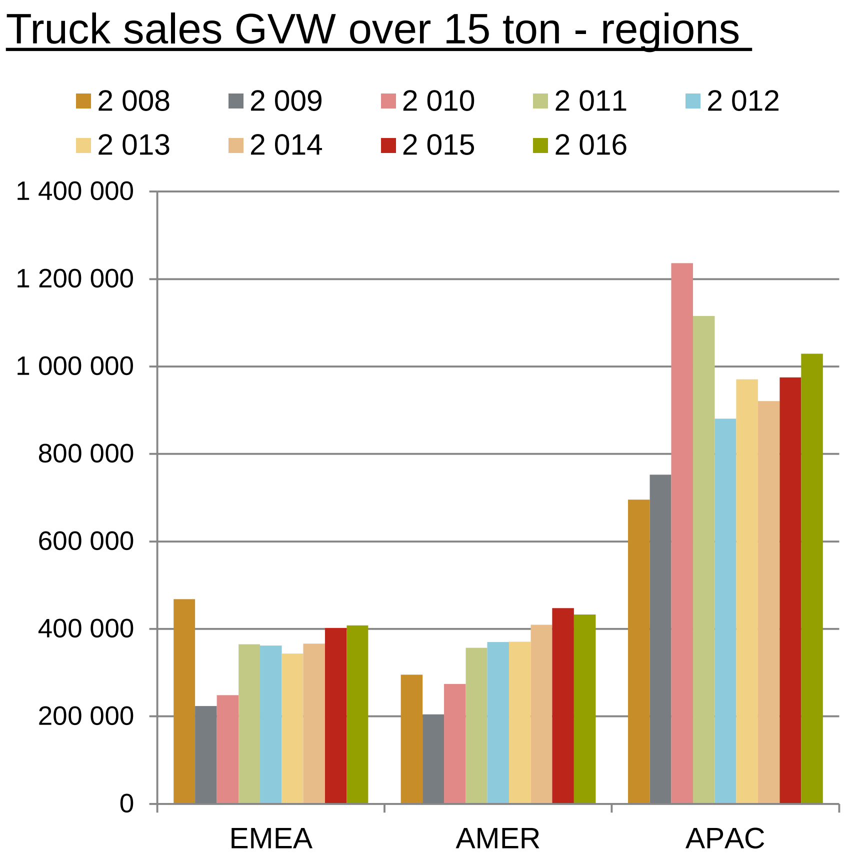
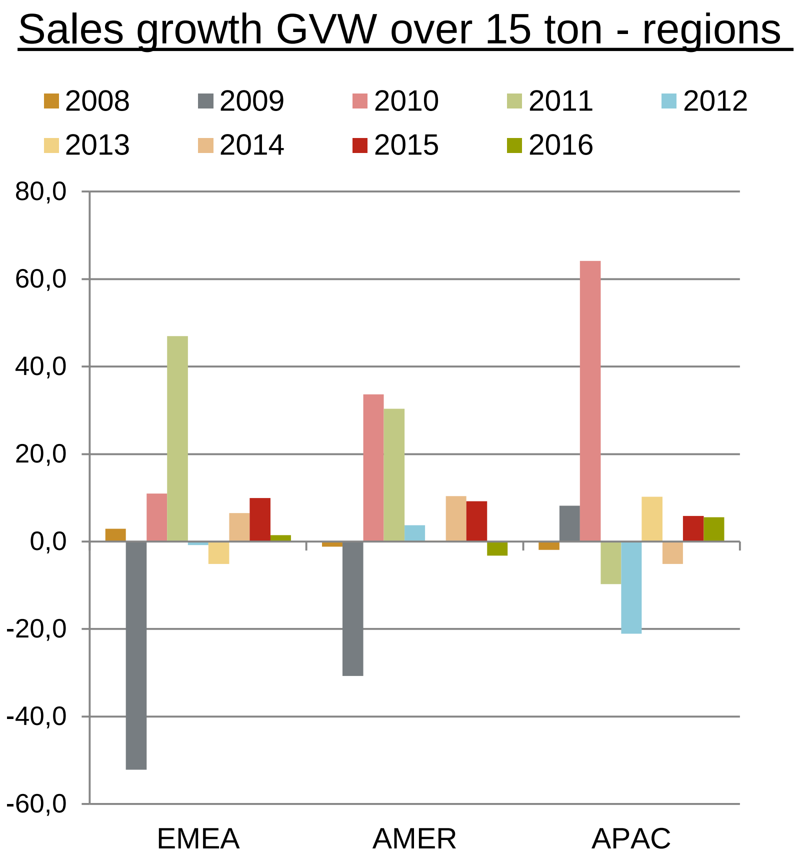
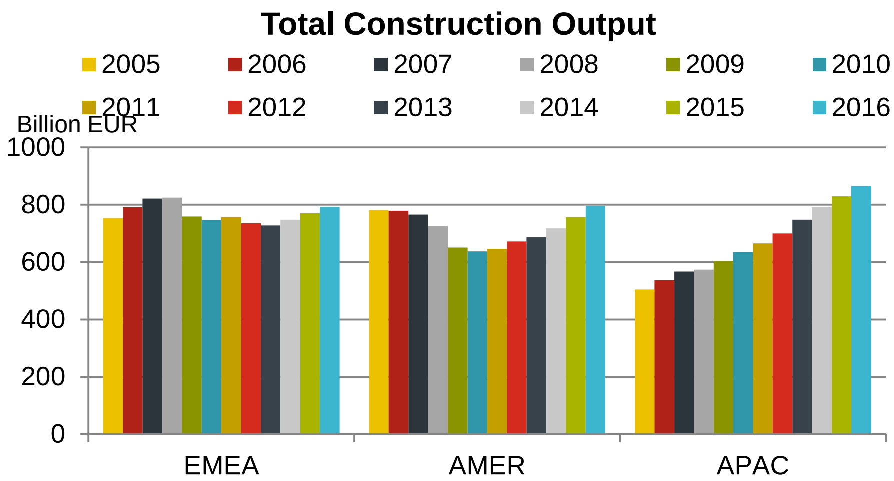
Macro indicator trends

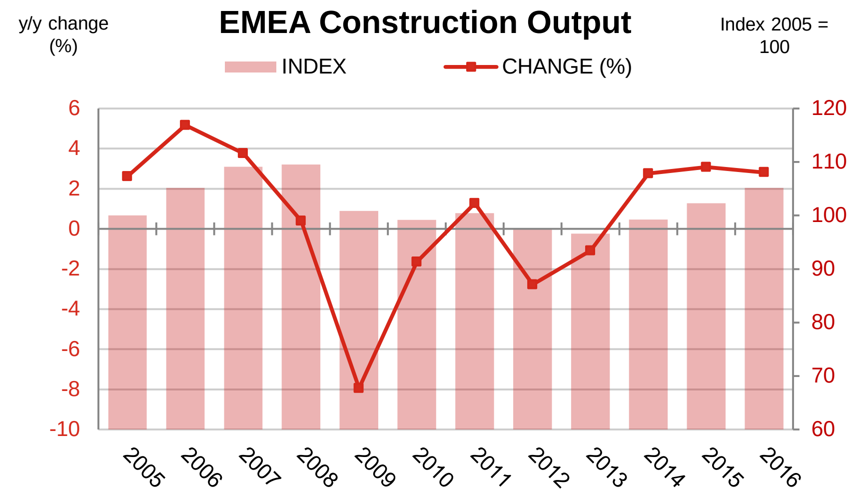


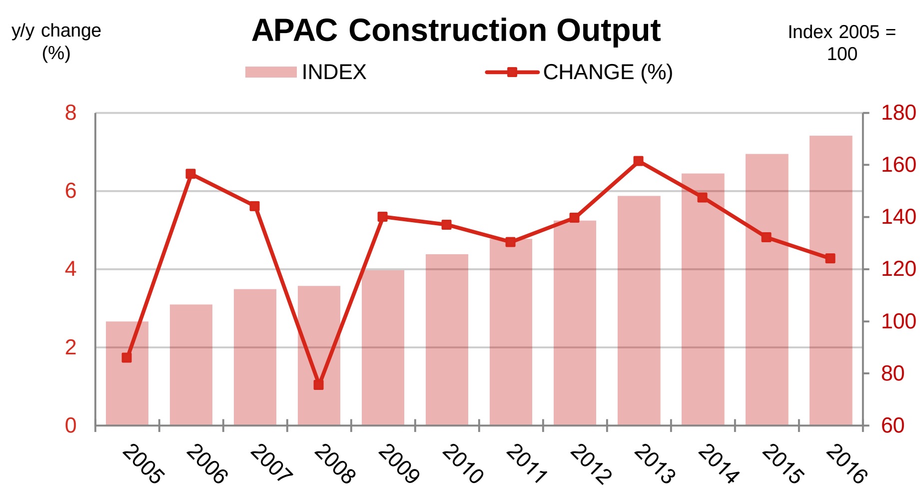


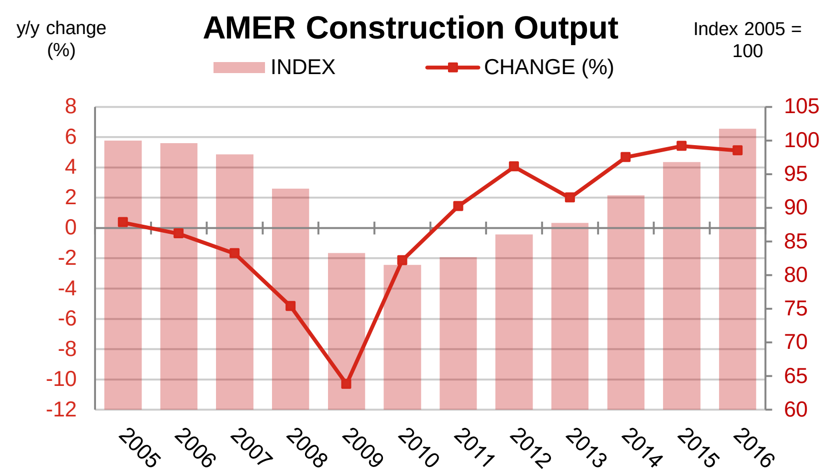
Source: IHS Global Insight Q1/2014 fcst

Macro indicator trends





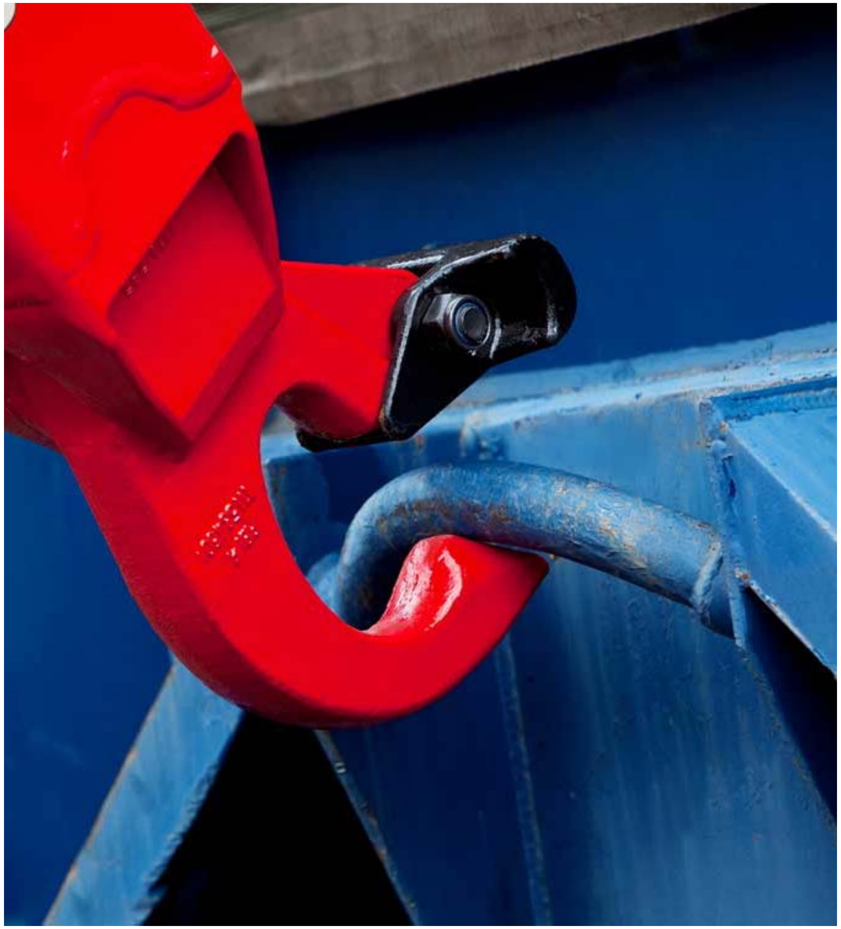




Source: Oxford Economics, Q1/2014

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



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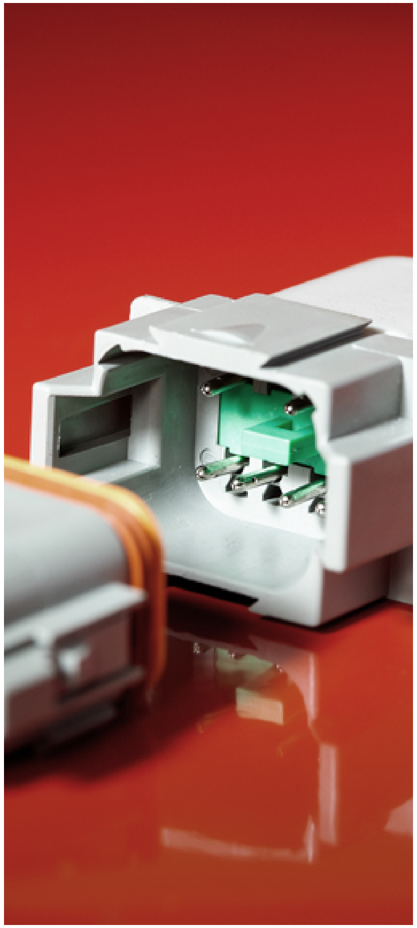
Actions in 2013 in Markets

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 Hudiksvall, 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–March financials

Highlights of Q1

- Orders grew 9% y-o-y and totalled EUR 863 (791) million
  - With fixed currencies orders grew 15%
- Sales grew 11 % y-o-y to EUR 751 (679) million
  - With fixed currencies sales grew 16%
- Operating profit excluding restructuring costs was EUR 24.6 (15.0) million or 3.3 (2.2)% of sales
- Operating profit was EUR 23.8 (13.1) million
- Cash flow from operations increased to EUR 32.5 (21.2) million

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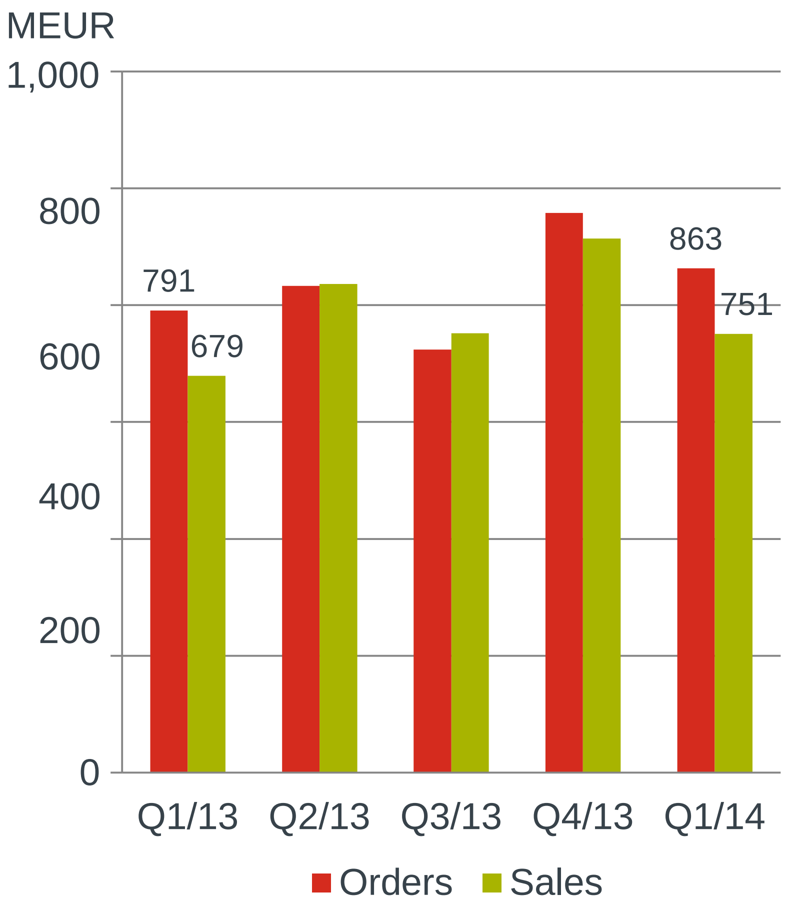
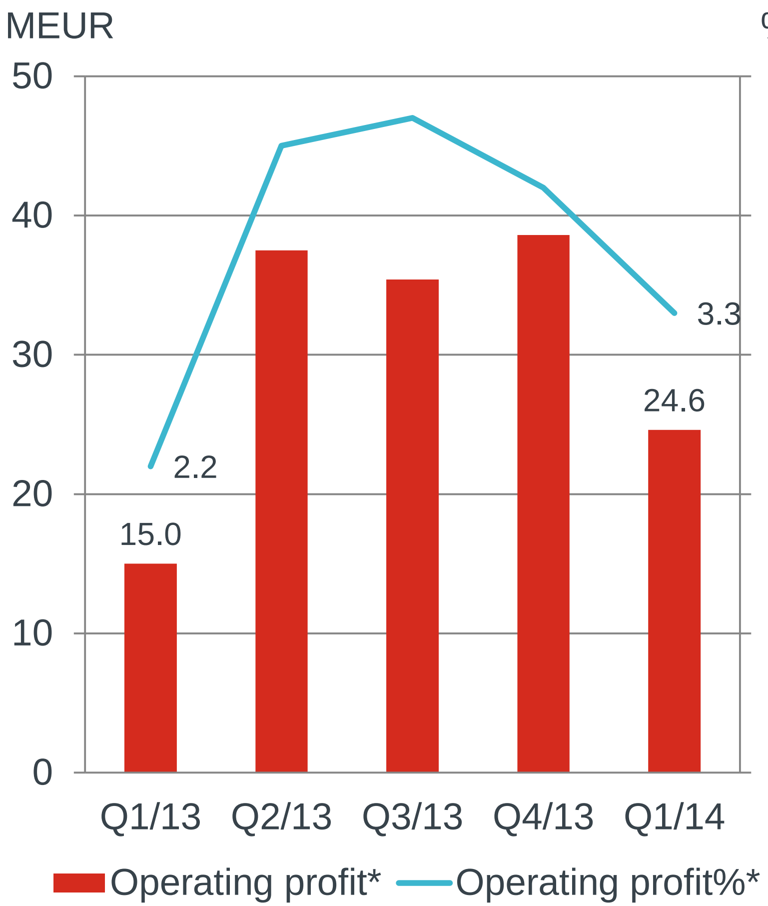
January–March key figures

	Q1/14	Q1/13	Change	2013
Orders received, MEUR	863	791	9%	3,307
Order book, MEUR	2,111	2,203	-4%	1,980
Sales, MEUR	751	679	11%	3,181
Operating profit, MEUR*	24.6	15.0	65%	126.5
Operating profit margin, %*	3.3	2.2		4.0
Cash flow from operations, MEUR	32.5	21.2		180.9
Interest-bearing net debt, MEUR	824	506		578
Earnings per share, EUR	0.20	0.10		0.89

*excluding restructuring costs

Performance development





*excluding restructuring costs

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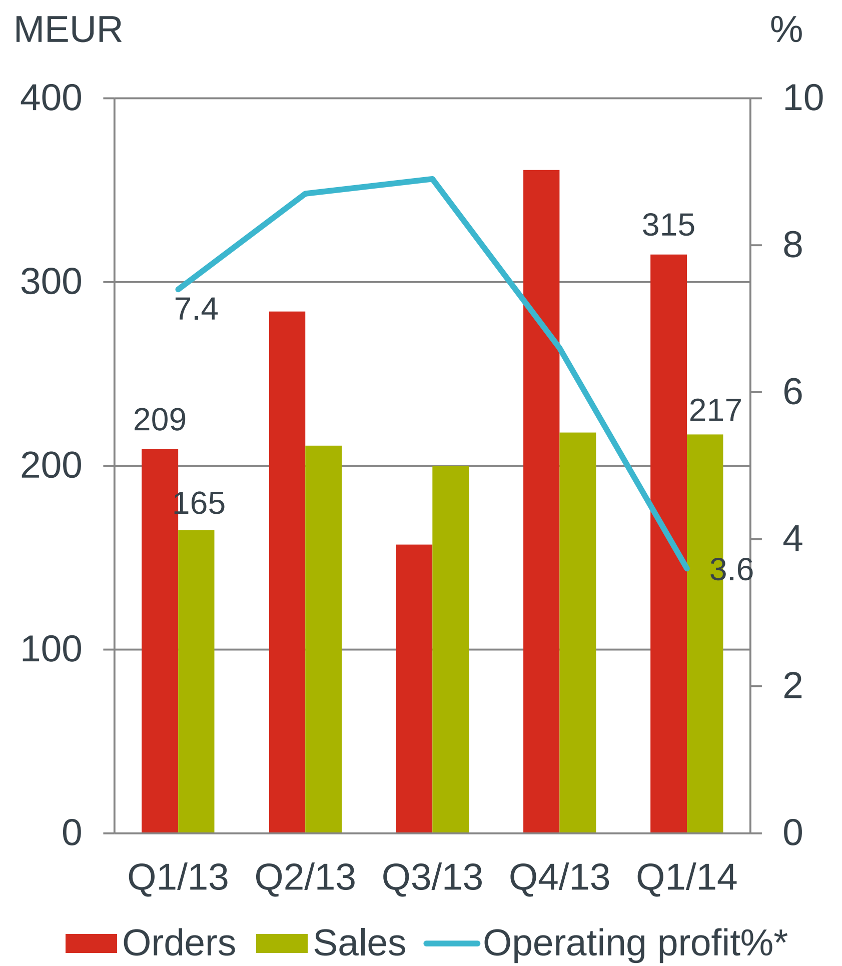
MacGregor Q1 – delivery mix as well as acquisition related depreciation, amortisation and one-off costs burdened profitability

- Order intake grew 50% y-o-y to EUR 315 (209) million
  - Contribution of acquired businesses EUR 64 million
- Demand and supply in shipping remain unstable, causing uncertainty about future levels of activity in marine cargo handling market
- Offshore market remained active throughout the quarter and outperformed the merchant ship market
- Services showed some signs of recovery
- Sales grew 32% y-o-y to EUR 217 (165) million
  - Contribution of acquired businesses EUR 49 million
- Profitability 3.6% (excluding restructuring)
  - Larger share of offshore business as well as low delivery volume in merchant ship segment
  - PPA depreciation and amortisation EUR 2.1 million (approx. EUR 10 million annually) and other one-time cost EUR 1.8 million
  - One-time acquisition costs EUR 1.2 million



*excluding restructuring costs

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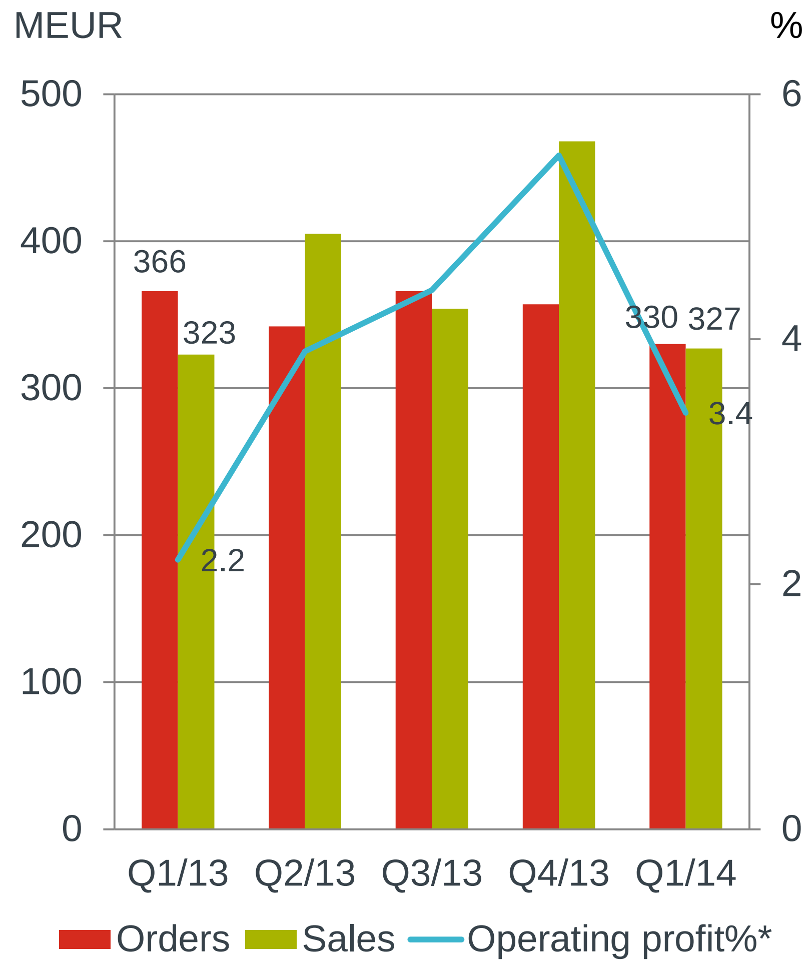
Kalmar Q1 – profitability improved despite cost overruns in projects

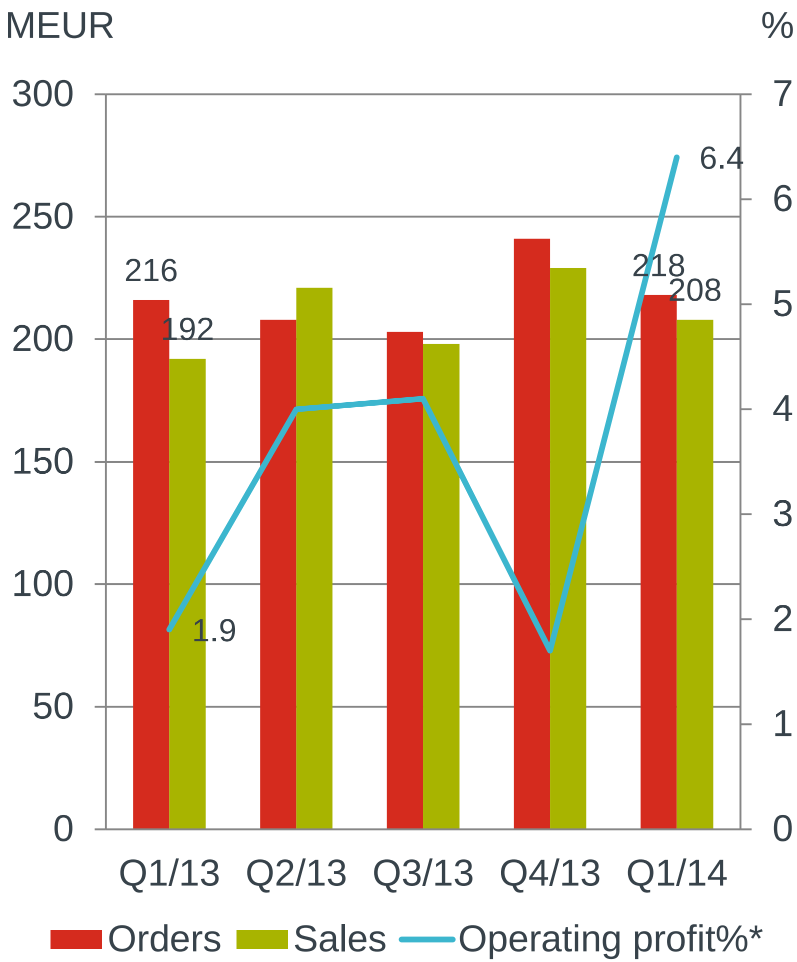
- Demand for container handling equipment and automation solutions in ports was stable
- In Europe and the Americas, demand was healthy while in Asia customers hesitated in investment decisions
- Demand for services was healthy
- Order intake fell 10% y-o-y to EUR 330 (366) million
- Sales were at comparison period's level at EUR 327 (323) million
- Profitability excluding restructuring costs was 3.4%
  - Additional costs of EUR 9 million mainly in one ship-to-shore crane project dating to 2012 (Q1 2013: 5 MEUR)
- Period-end order book includes EUR 35 million of problem projects



*excluding restructuring costs

Hiab Q1 – efficiency improvement actions improved profitability

- Demand for load handling equipment was flat. Demand was highest for truck-mounted forklifts and tail lifts.
- Demand for services was healthy
- Orders were at comparison period's level at EUR 218 (216) million
- Sales grew 8% y-o-y to EUR 208 (192) million
- Profitability excluding restructuring costs was 6.4%
    - Improvement in gross margin and service business profitability as well as sales and service network rationalisation began to be reflected in profitability



*excluding restructuring costs

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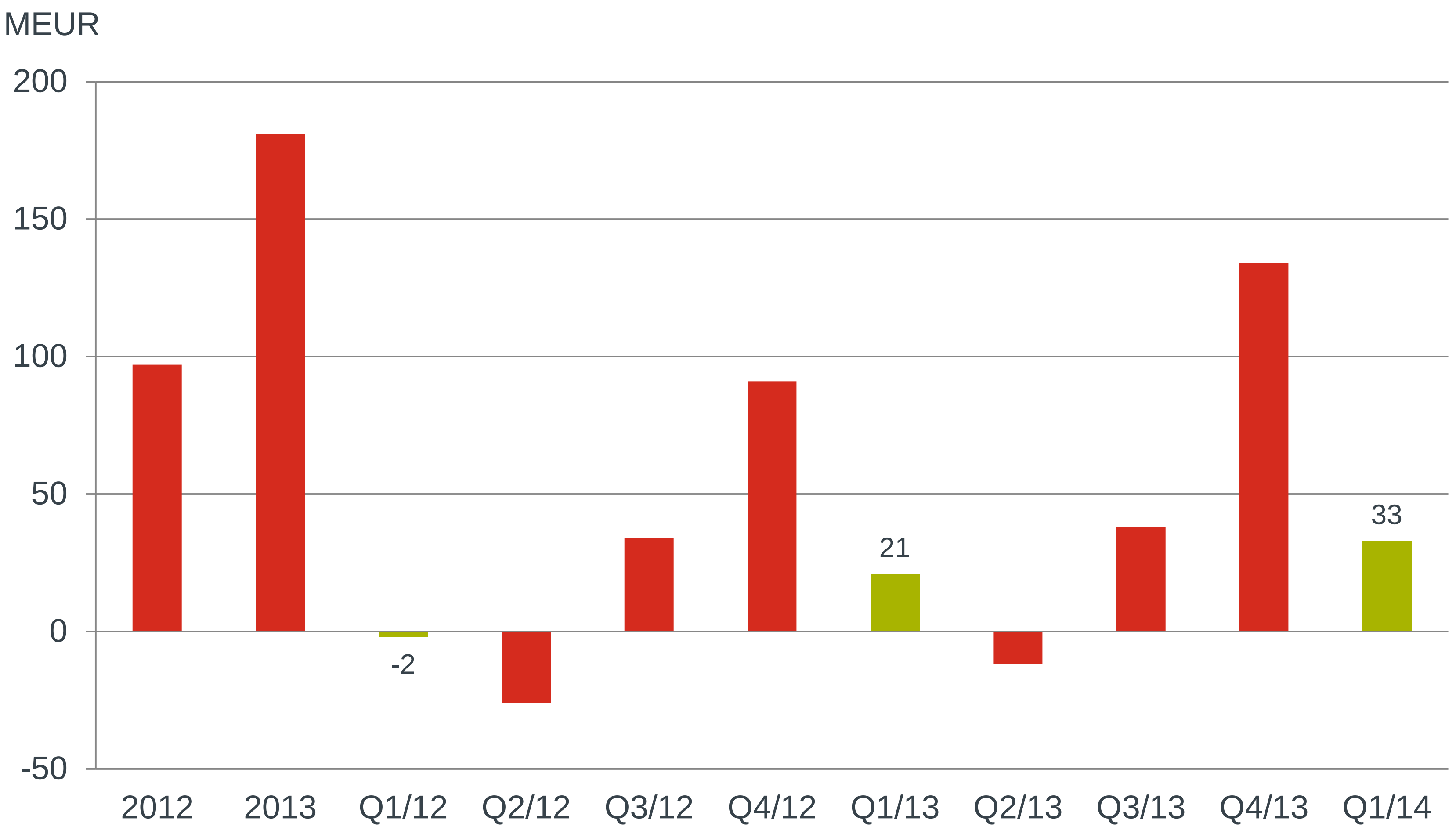
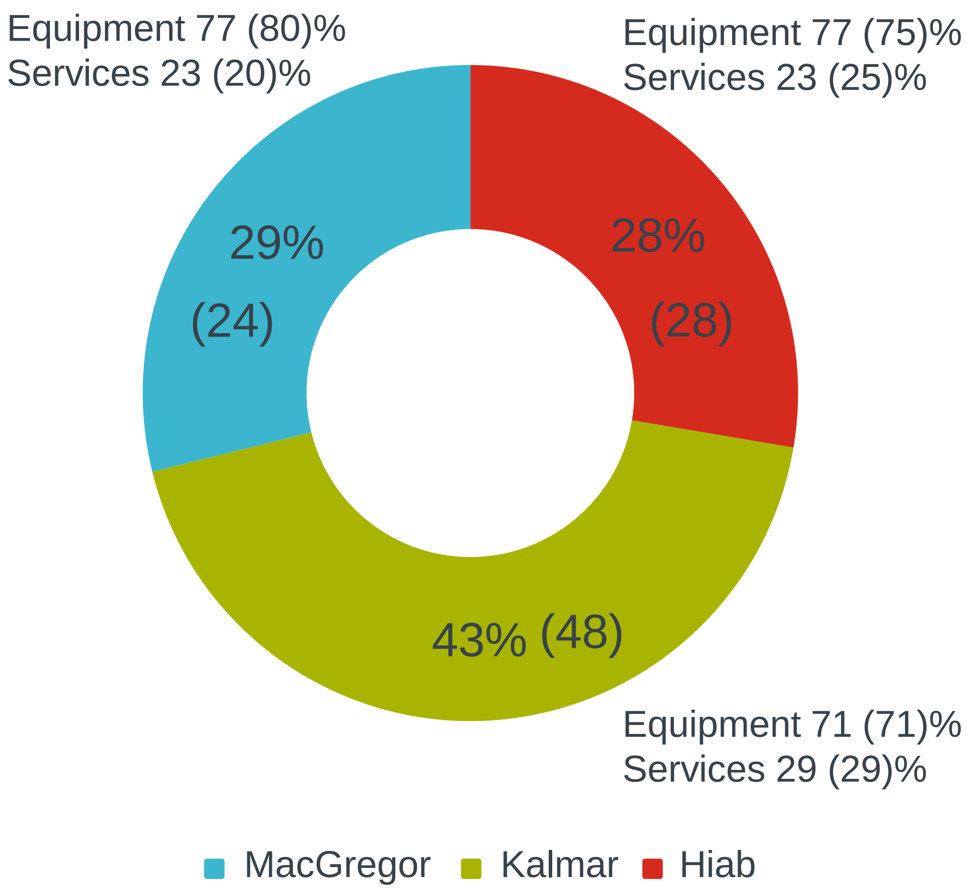
Cash flow from operations slightly up y-o-y

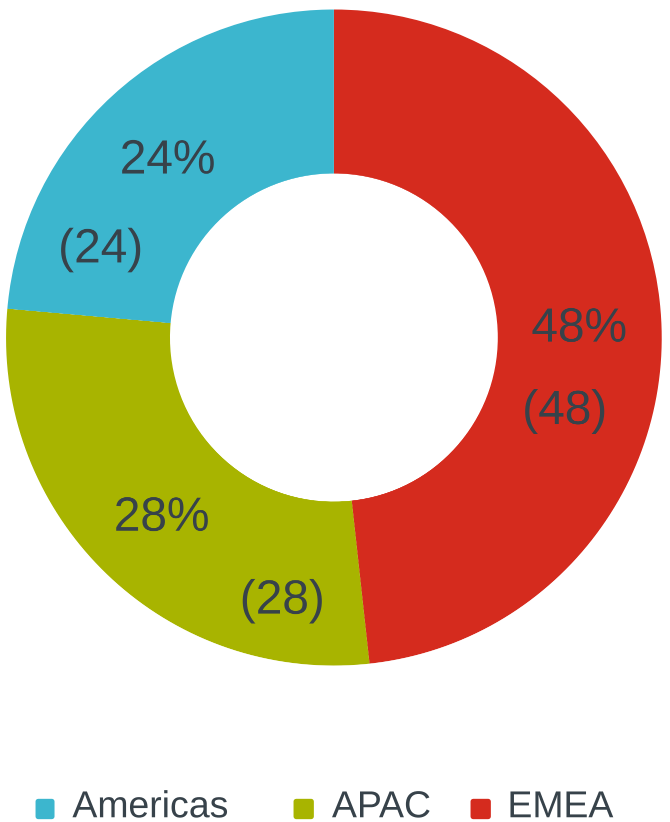


Sales by geographical area unchanged

Sales by reporting segment 1-3/2014, %



Sales by geographical segment 1-3/2014, %



Outlook unchanged

- Cargotec's 2014 sales are expected to grow from 2013.
- Operating profit excluding restructuring costs for 2014 is expected to improve from 2013.

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