Investor presentation, August 2017

Becoming the leader in intelligent cargo handling

CARGOTEC

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Cargotec in brief

Today’s leader in cargo handling equipment

Strong global player with geographical diversification

Cargotec Group

Sales: **EUR 3,514 million**
EBIT: **7.1%**
Services: **25%**

Kalmar

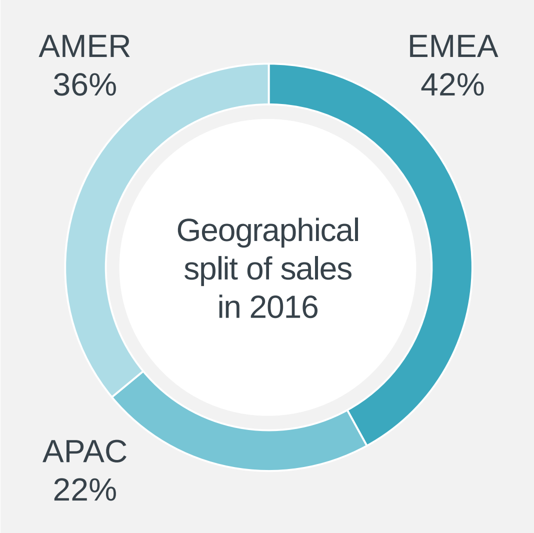
Sales: EUR 1,700 million
EBIT: **8.0%**
Services: **26%**

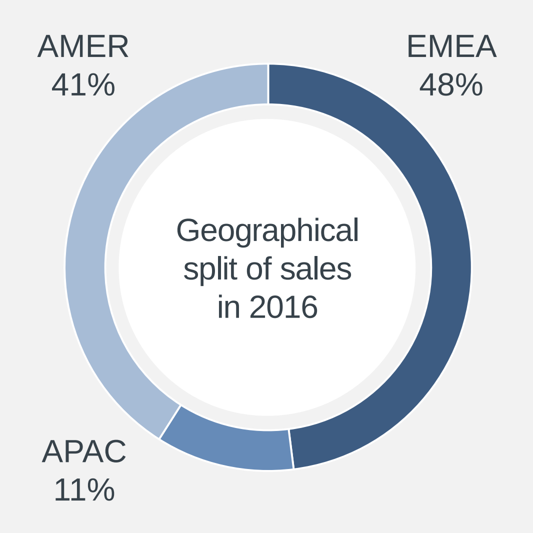
Hiab

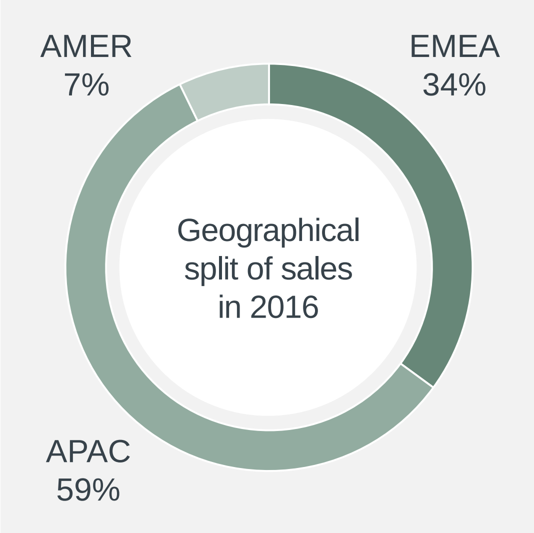
Sales: EUR 1,036 million
EBIT: **13.5%**
Services: **22%**

MacGregor

Sales: EUR 778 million
EBIT: **2.3%**
Services: **26%**







Figures: 2016
EBIT % excluding restructuring costs

Key competitors

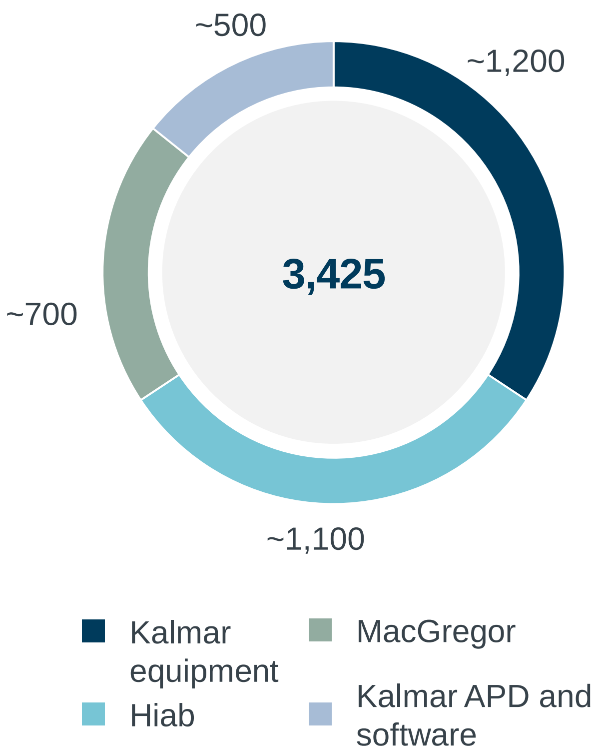
Cargotec is a leading player in all of its business areas

	KALMAR	HIAB	MACGREGOR
Global main competitors	ZPMC, Konecranes (Lifting Businesses), Terex Corporation, Liebherr, ABB, SANY	Palfinger	TTS, Rolls-Royce, NOV
Other competitors		Fassi, HMF, Hyva, Terberg Kinglifter (Manufacturer of truck mounted forklifts)	Navalimpianti Group, Mitsubishi Heavy Industries, Ltd., Huisman, German Lashing (Robert Böck GmbH), SMS Korea, SEC (Ship's Equipment Centre Groningen B.V.), IHI, Liebherr

Cargotec's portfolio is well diversified

Net sales*, Q3/16 – Q2/17

EUR million



	Trend in orders, last 12 months	Profitability: EBIT margin, last 12 months
Kalmar software (Navis) and Automation and Projects division	→	Low due to long term investments
MacGregor	-31%	**1.5%**
Hiab	+7%	**14.1%**
Kalmar equipment and service (excluding Automation and Projects Division & Navis)	→	Low double digit

* Figures rounded to closest 100 million

Investment highlights

Investment highlights: Why invest in Cargotec?

1. Technology leader and strong market positions, leading brands in markets with long term growth potential
2. Transforming from equipment provider into the leader in intelligent cargo handling
3. Growing services business and asset light business model are decreasing the impact of cyclicality
4. Capitalizing global opportunities for future automation and software growth
5. On track for profitability improvement and to reach financial targets

CARGOTEC

1. Technology leader and strong market positions

	Kalmar	Hiab	MacGregor
End markets	Ports, terminals, distribution centers	Construction, distribution, forestry, defence, waste and recycling	Maritime transportation and offshore industries
Market position	1-2#	1-2#	1-2#
Key drivers and supporting megatrends	Global trade growth driven by globalisation and growing middle class Container throughput growth, larger ships require investments in ports, ports need to increase efficiency via automation, increasing importance for safety	Construction growth via population growth and urbanisation Changing distribution patterns and models Increasing penetration in developing countries	Global trade growth driven by globalisation and growing middle class, oil price
Competitive advantage	Recognized premium brand Leading market position in software Full automation solution offering (equipment, software and automation, service) Asset light business model	Hiab one of the two global players with scale Diversified product range Asset light model, efficient assembly operation	Asset light model, technology leader, closeness to customers (shipyards and shipowners) globally, industry competence

2. Transforming from equipment provider into a leader in intelligent cargo handling

2013
Product leadership
Good equipment company

→ Product R&D drives offering development and higher gross profit

2018
Service 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

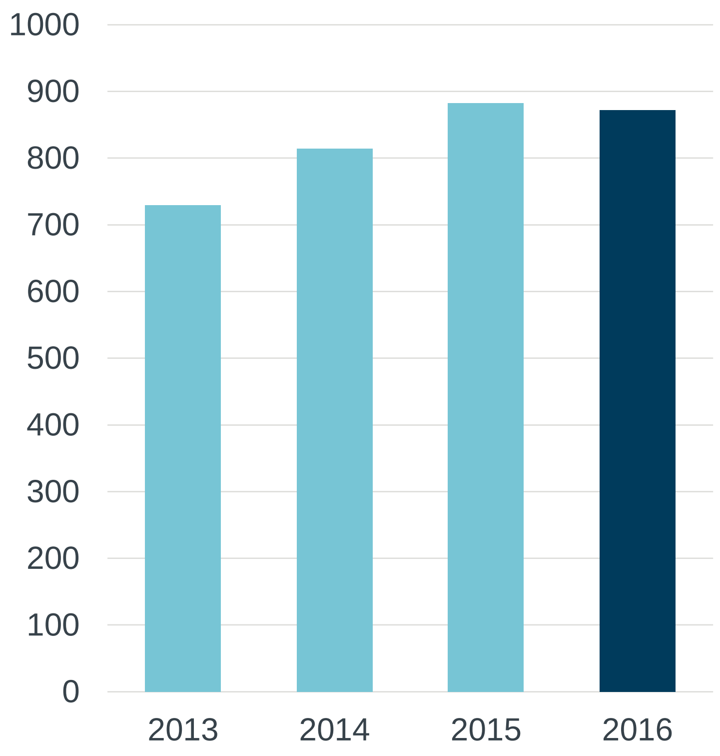
→ More efficient and optimised cargo handling solutions

Must-wins

World class service offering	Lead digitalisation	Build word class leadership

3. Growing services business and asset light business model are decreasing the impact of cyclicality

Services net sales
EUR million



Asset light business model with a flexible cost structure

- Kalmar and Hiab: efficient assembly operation
- MacGregor: efficient project management and engineering office: > 90% of manufacturing and 30% of design and engineering capacity outsourced
- No in-house component manufacturing

Leading product portfolio creates solid platform for services development

- Growing services will bring stability, better profitability and decrease cyclicality

Large installed base – attractive potential

Actions to increase capture rates of spare parts:

- Improve sales process
- Digitalization efforts and connectivity: online services and e-commerce solutions
- Distribution centers improving availability

4. Capitalizing global opportunities for future automation and software growth

Digitalisation supports service and software growth and vice versa

Industry trends support growth in port automation:

- Ships are becoming bigger and the peak loads have become an issue
- Safety in the terminal yard has become even more of a focus for operators
- Customers require decreasing energy usage and zero emission ports
- Optimum efficiency, space utilization and reduction of costs are increasingly important
- Shortage and cost of trained and skilled labour pushes terminals to automation

Significant possibility in port software:

- Container value chain is very inefficient: total value of waste and inefficiency estimated at ~EUR 17bn
- Container shipping industry has an annual IT software spend of approx. EUR 1.7 billion. The market is expected to grow to EUR 2.8 billion by 2020
- > 50% of port software market is in-house, in long term internal solutions not competitive
- Navis has leading position in port ERP
- 500 software engineers

Automation creates significant cost savings*	
Labour costs	60% less labour costs
Total costs	24% less costs
Profit increase	125%

* Change when manual terminal converted into an automated operation

5. Clear plan for profitability improvement and to reach financial targets

Growth

Target to grow faster than market

- Megatrends and strong market position supporting organic growth
- M&A potential

Balance sheet and dividend

Target gearing < 50% and dividend 30-50% of EPS

- Strong cash flow
- Gearing below target, enables solid dividend payout

Profitability

Target 10% EBIT for each business area and 15% ROCE on Group level over the cycle

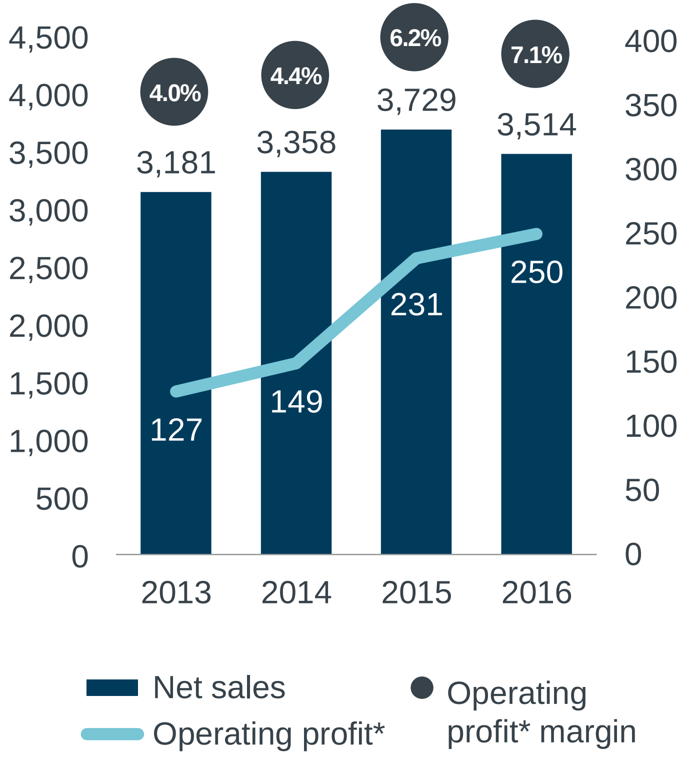
Cost savings actions:

- 2017 EUR 25 million (MacGregor)
- 2017 Interschalt EUR 2 million
- 2018 EUR 13 million (Lidhult assembly transfer in Kalmar)
- 2020 EUR 50 million (indirect purchasing and new Business Services operations)

Product re-design and improved project management

Higher operating profit key driver for higher ROCE

Sales and operating profit development



*excluding restructuring costs

Kalmar

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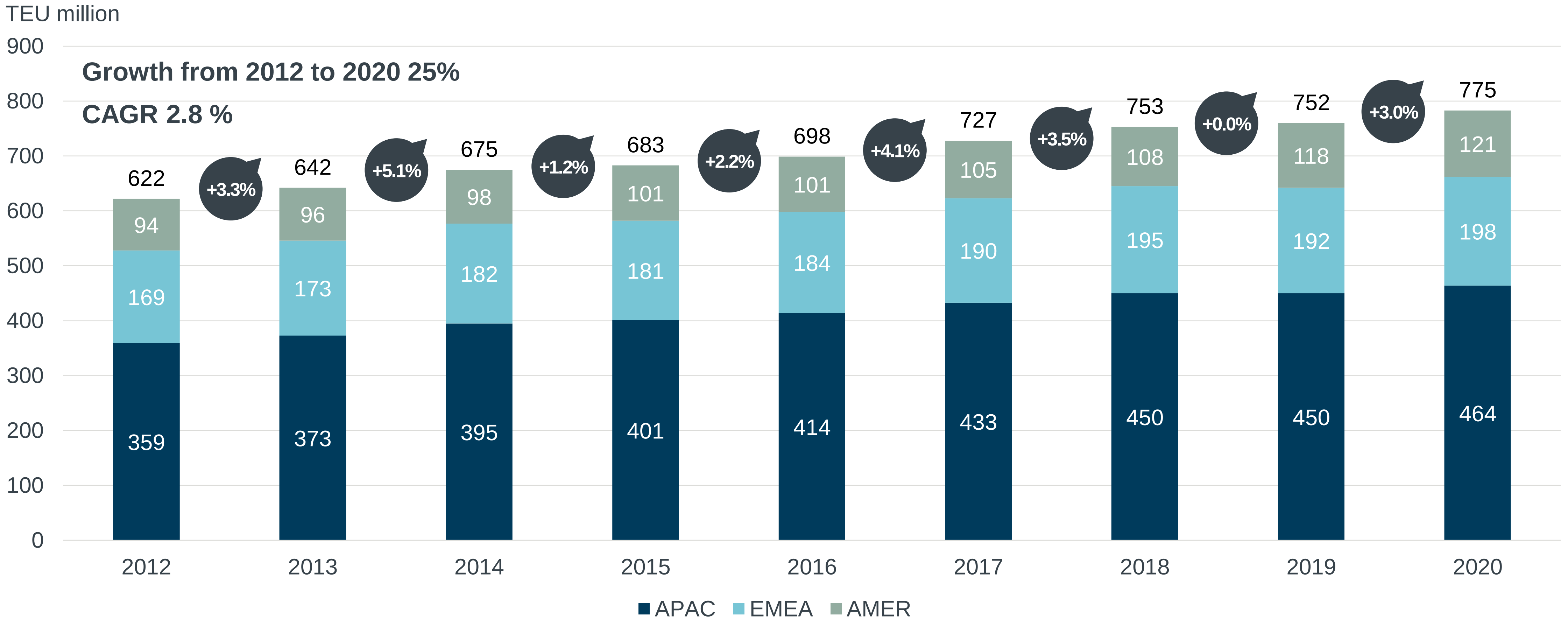
Container throughput still forecasted to grow year on year



Source: Drewry: Container forecaster Q2 2017
(Estimates for 2019-2020 from Drewry Container forecaster Q3 2016, latest update available)

Kalmar’s profit improvement potential 2016-2018

	2015	2016	2017	2018	
Automation	Project delivery capability development				+20-30 EUR million
	Expand Rainbow Cargotec Industries (China) joint venture offering				
	Further development of integrated port automation solutions				
Software	Expand software business				+10-20 EUR million
Mobile equipment	Continuous improvements in design-to-cost and sourcing				+20-30 EUR million
	Strengthen distribution network				
Services	Excel in spare parts				+10-20 EUR million

Total
60-100
EUR million
improvement
potential

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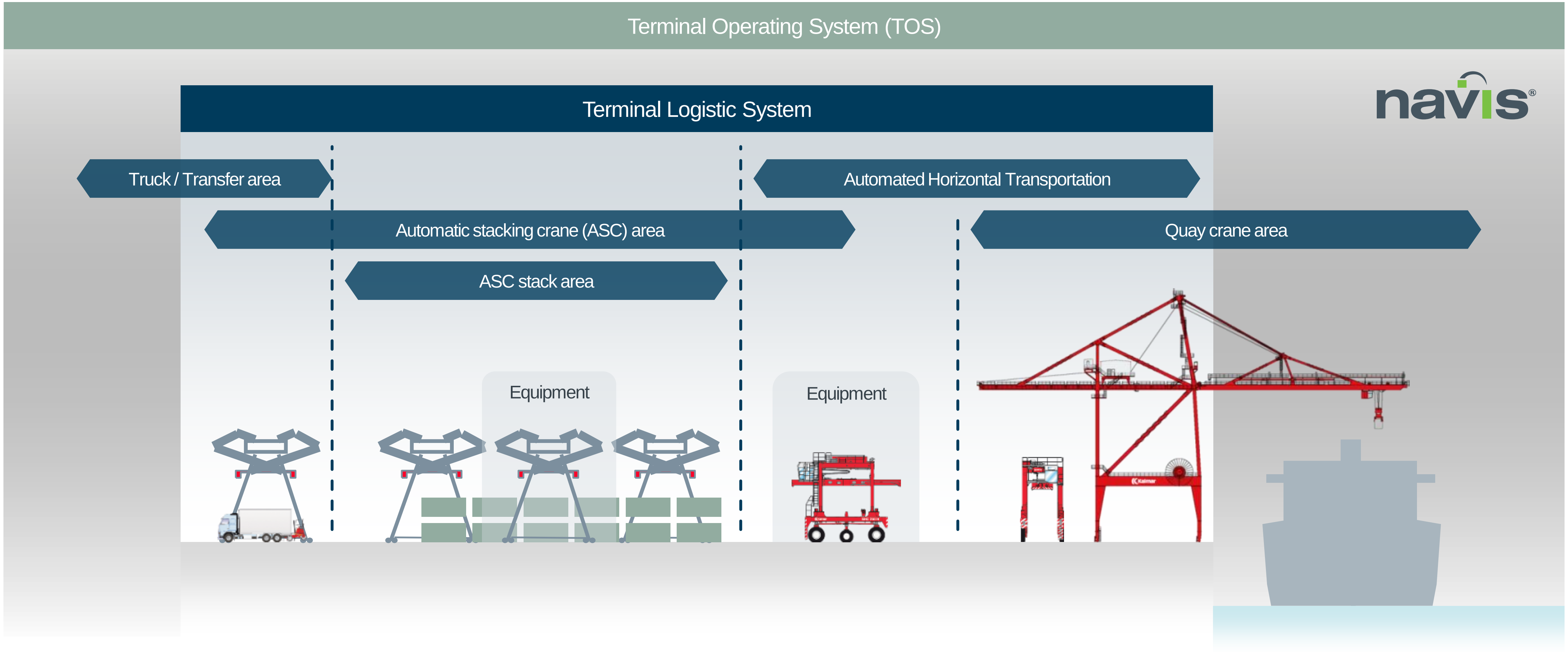
Flexible and scalable Navis TOS software



Kalmar's operating environment

KALMAR

Provides integrated port automation solutions including software, services and a wide range of cargo handling equipment

XVELA

The collaboration platform serving the needs of ocean carriers, terminals and their shipping partners

navis

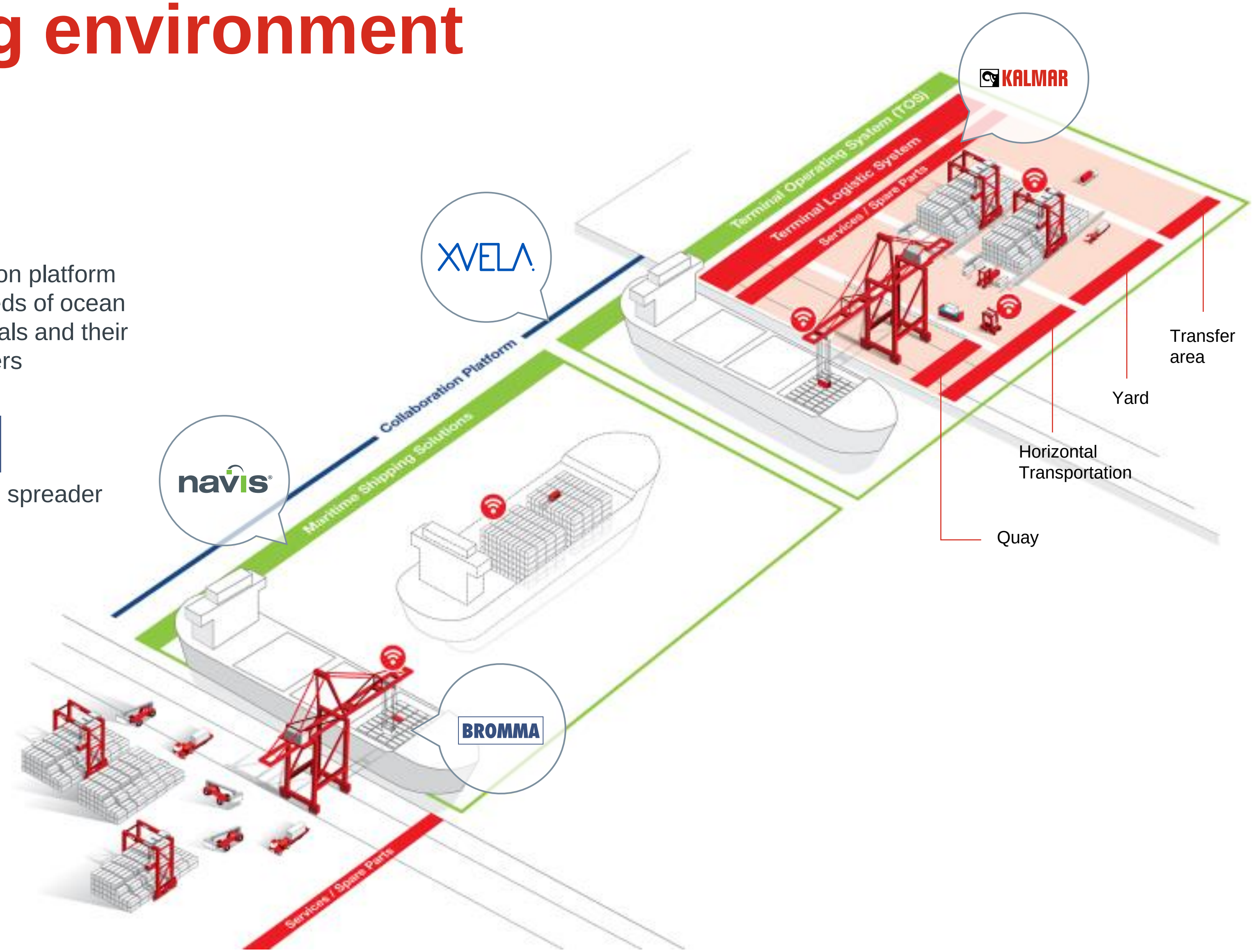
TOS coordinates and optimises the planning and management of container and equipment moves in complex business environments.

Navis provides also maritime shipping solutions:

- Stowage planning
- Vessel monitoring
- Loading computer
- Route planning

BROMMA

Industry leading spreader manufacturer

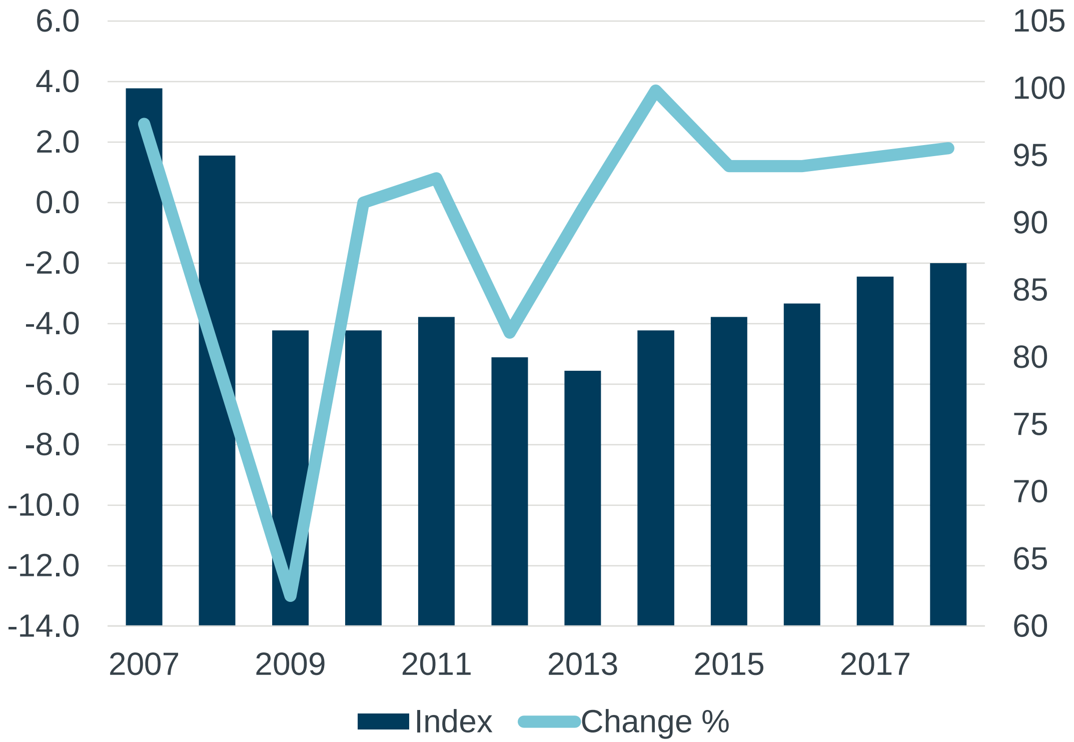


Hiab

Construction output driving growth opportunity

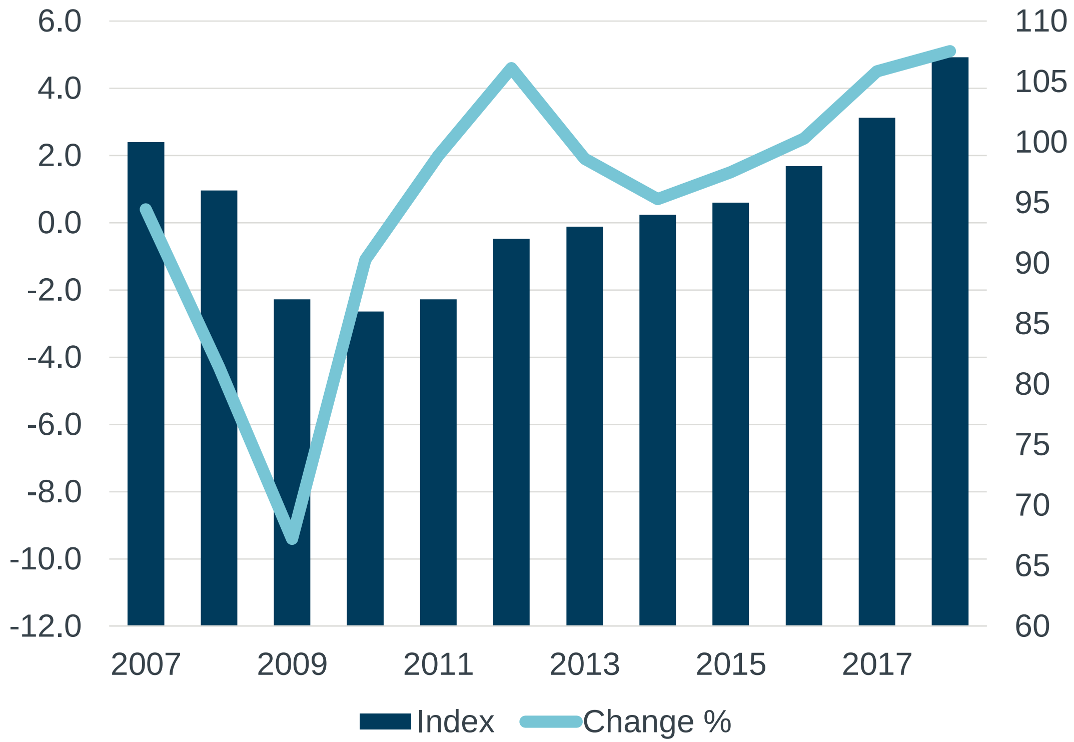
EMEA construction output

y/y change (%)



AMER construction output

y/y change (%)



Oxford Economics: Industry output forecast 10/2016

Hiab’s key growth drivers

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

MacGregor

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MacGregor has strong positions in both the marine and offshore market

Marine

~3/4 of sales

Container lashing **#1**

Hatch covers **#1-2**

Cranes and selfunloaders **#1**

RoRo **#1**

Offshore

~1/4 of sales

Offshore advanced load handling **#1**

Offshore winches **#2**

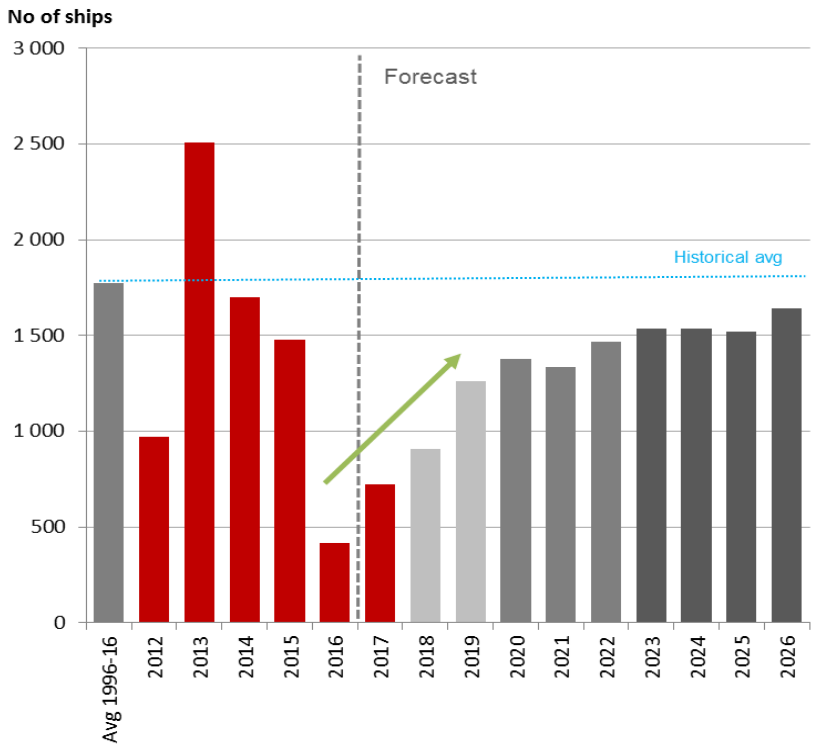
Mooring systems **#1**

Loading and offloading systems **#1**

Merchant shipping and offshore markets may have reached the bottom in orders

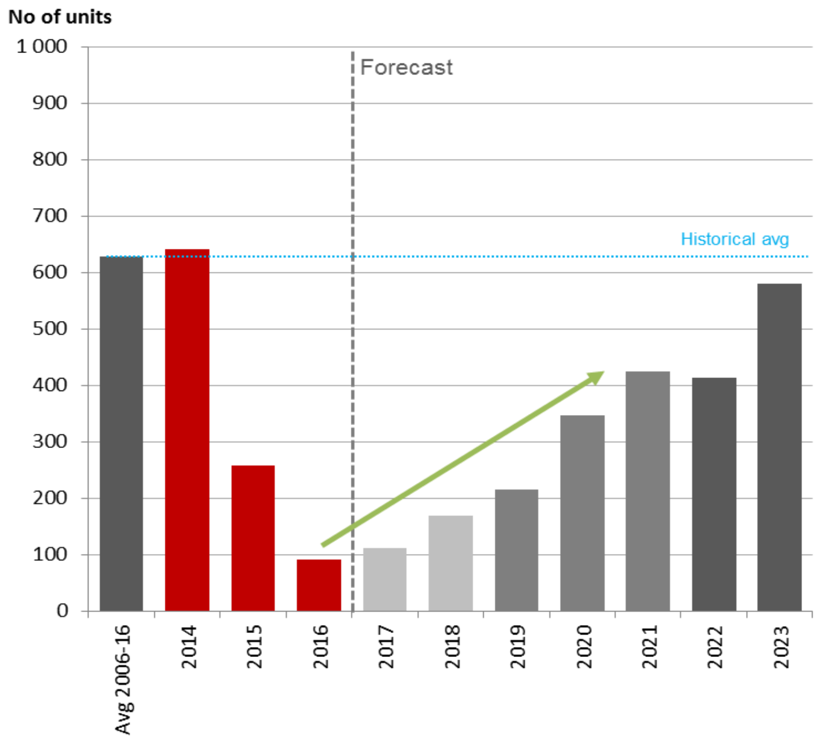
Long term contracting 2012-2026

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



Long term contracting 2014-2023

Mobile offshore units



Source: Clarkson, March 2017

MacGregor’s asset-light business model gives flexibility

Sales & marketing	Design & engineering	Manufacturing	Installation	Lifecycle support
MacGregor	MacGregor	MacGregor	MacGregor	MacGregor
	Outsourced	Outsourced	Outsourced	

Cost-efficient scaling

90% of manufacturing outsourced

30% of design and engineering capacity outsourced

Financials

Cargotec's Q2 2017 half year report

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Highlights of Q2 2017 – Operating profit* improvement continued

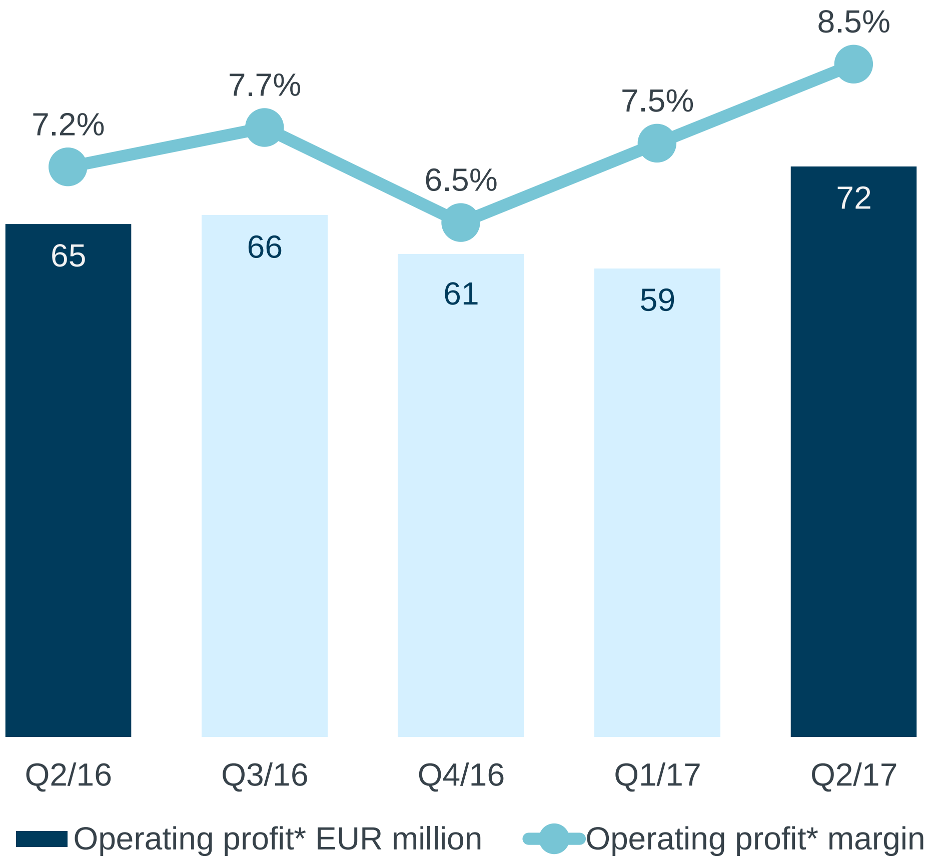
Cargotec's operating profit* margin improved

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

Orders received increased in Hiab, declined in MacGregor and Kalmar

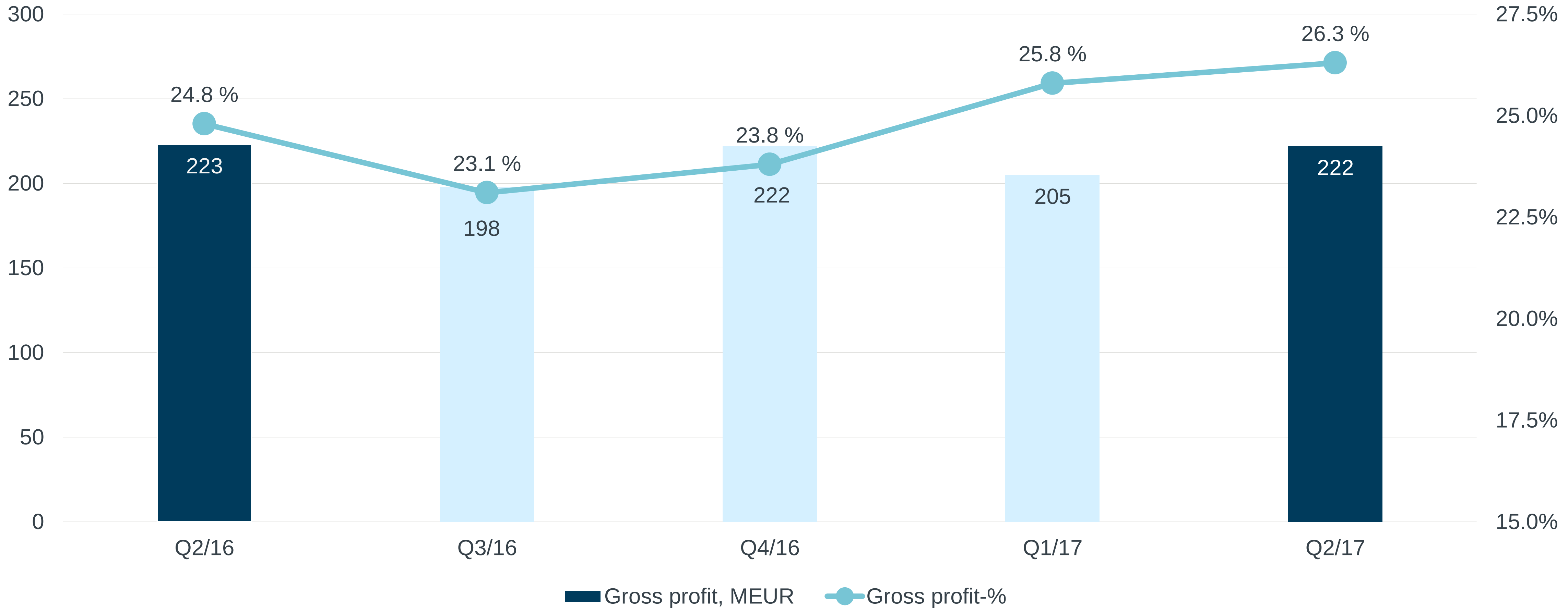
Service and software sales 31% (28%) of total sales at EUR 259 (255) million

- Software sales growth +26%



*) Excluding restructuring costs

Gross profit margin improved y-o-y



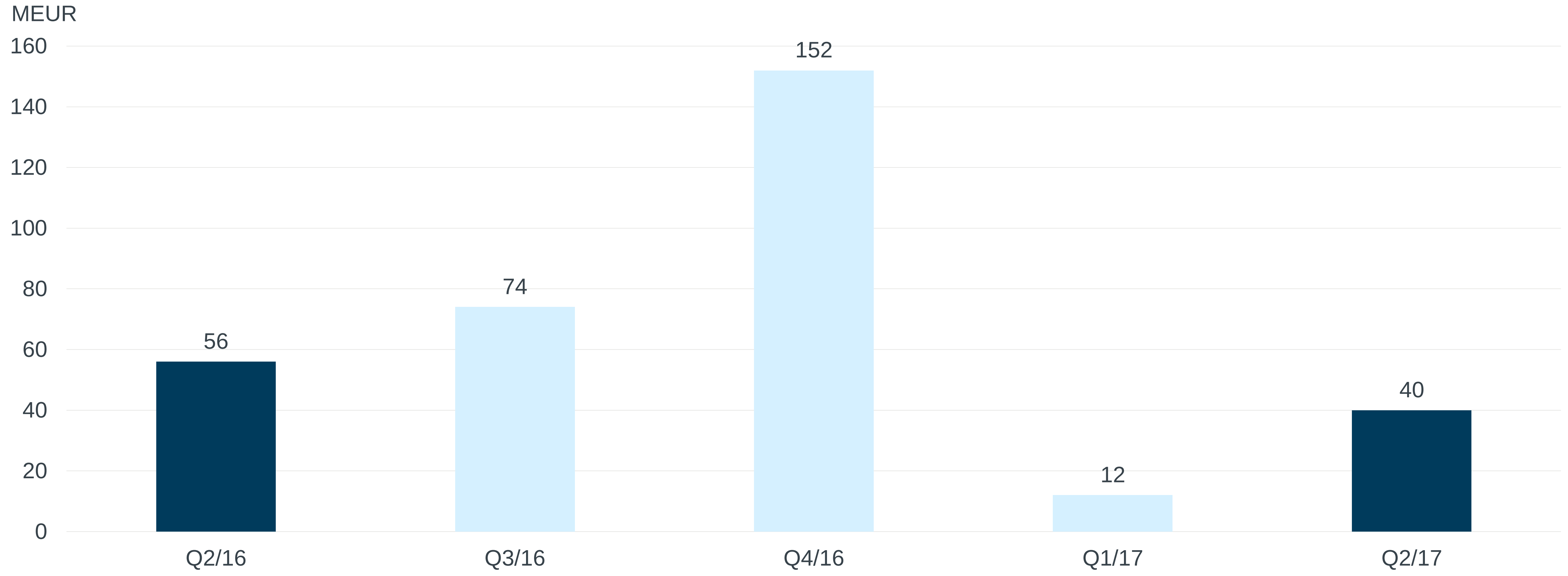
Key figures – Operating profit* increased

	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

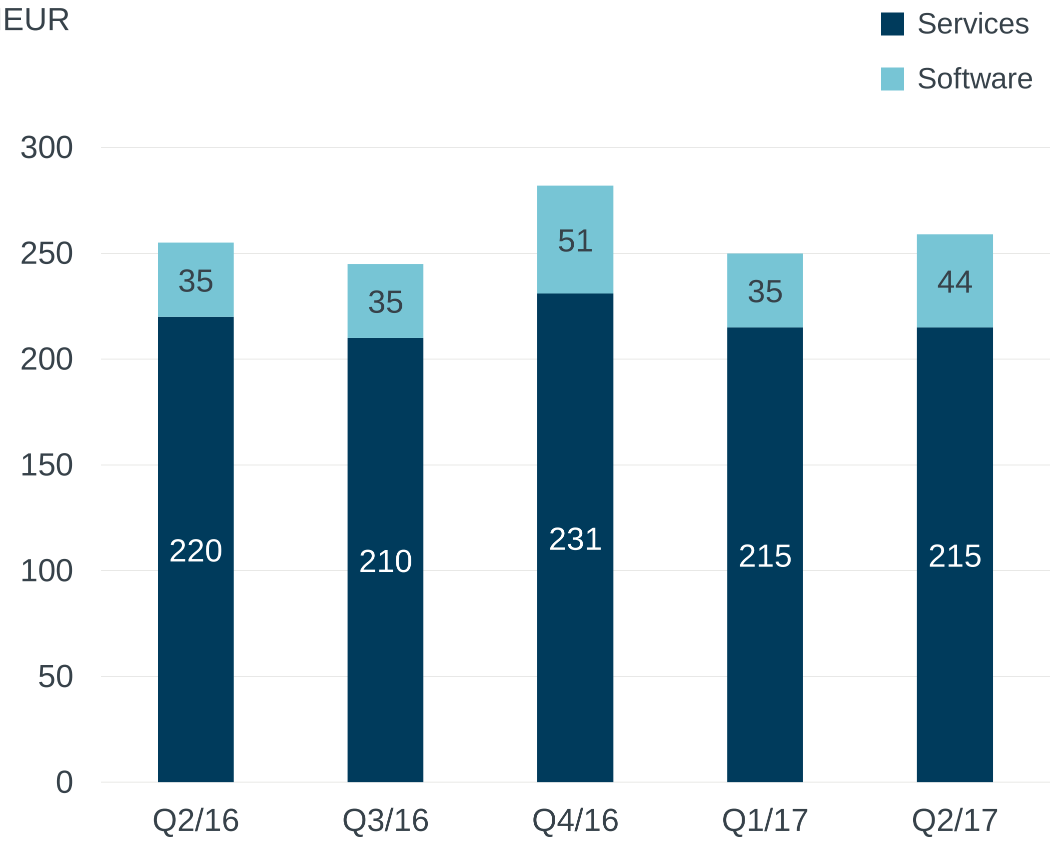
Cash flow from operations burdened by lower advance payments and higher working capital needs in Kalmar



Software sales increased strongly

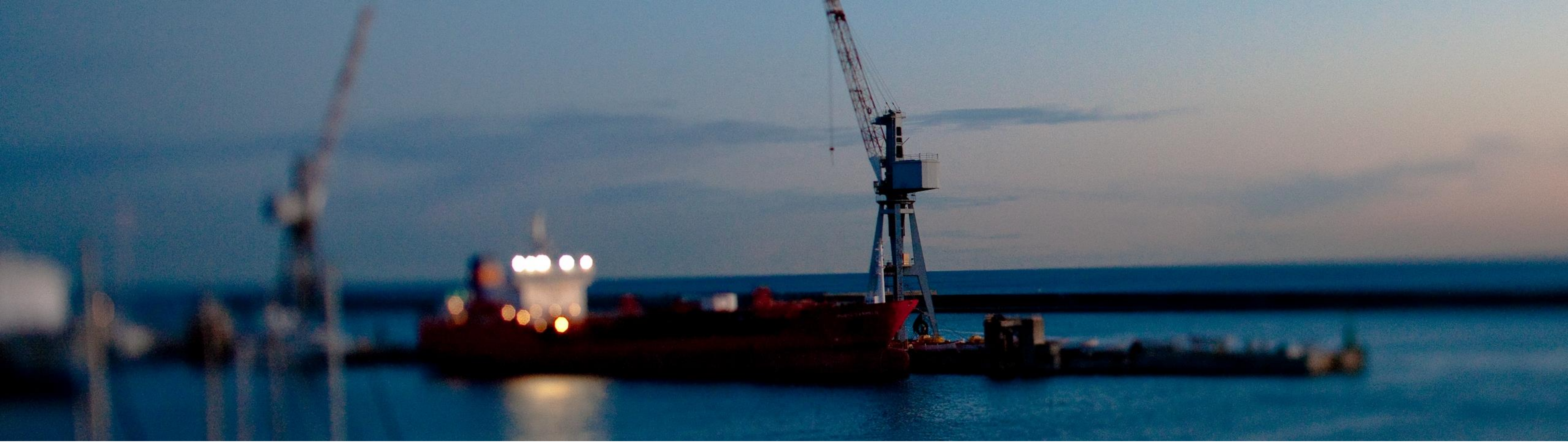
Services and software* sales

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

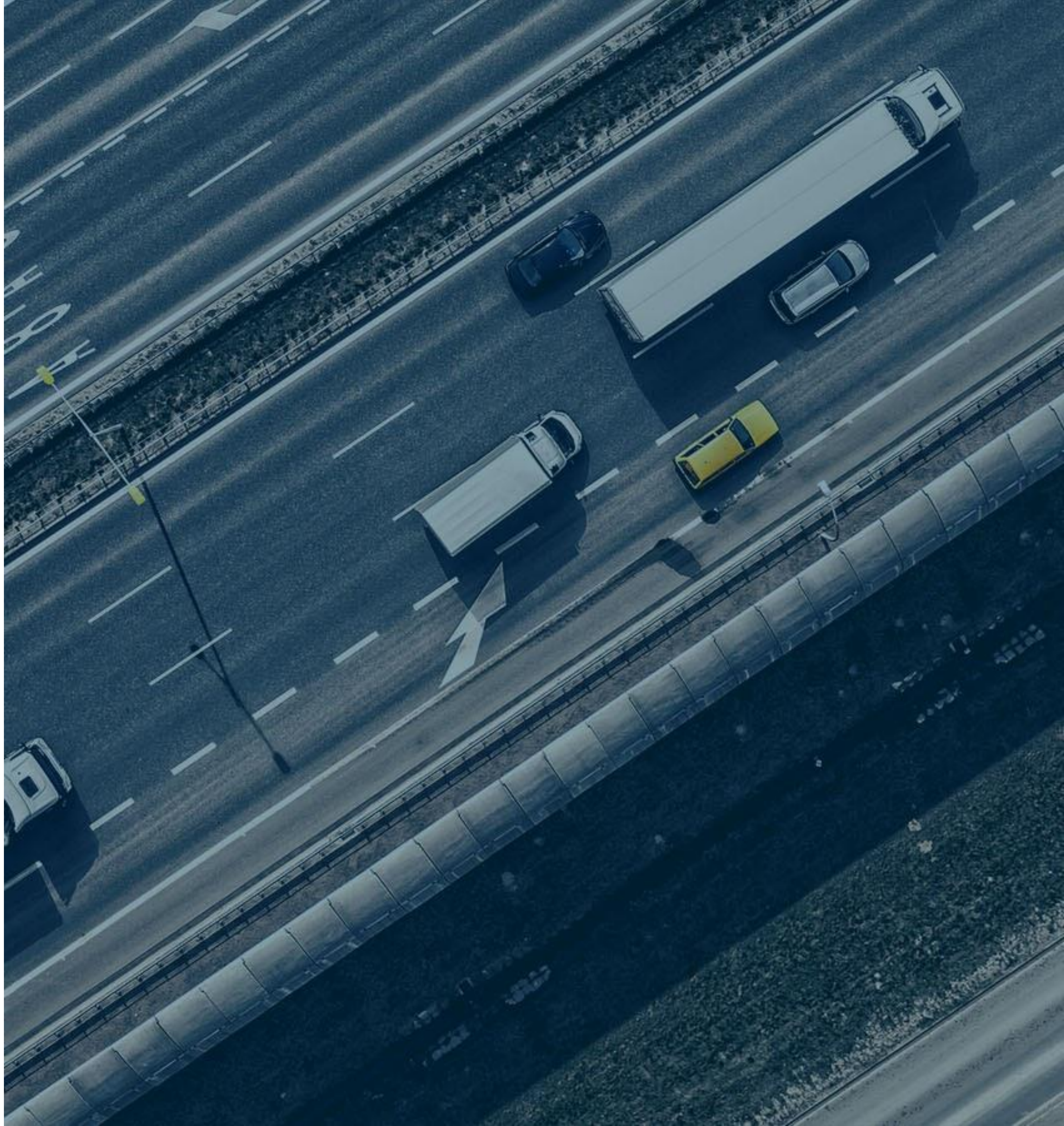


2017 outlook – as given 8 February 2017

Operating profit excluding restructuring costs for 2017 is expected to improve from 2016 (EUR 250.2 million)

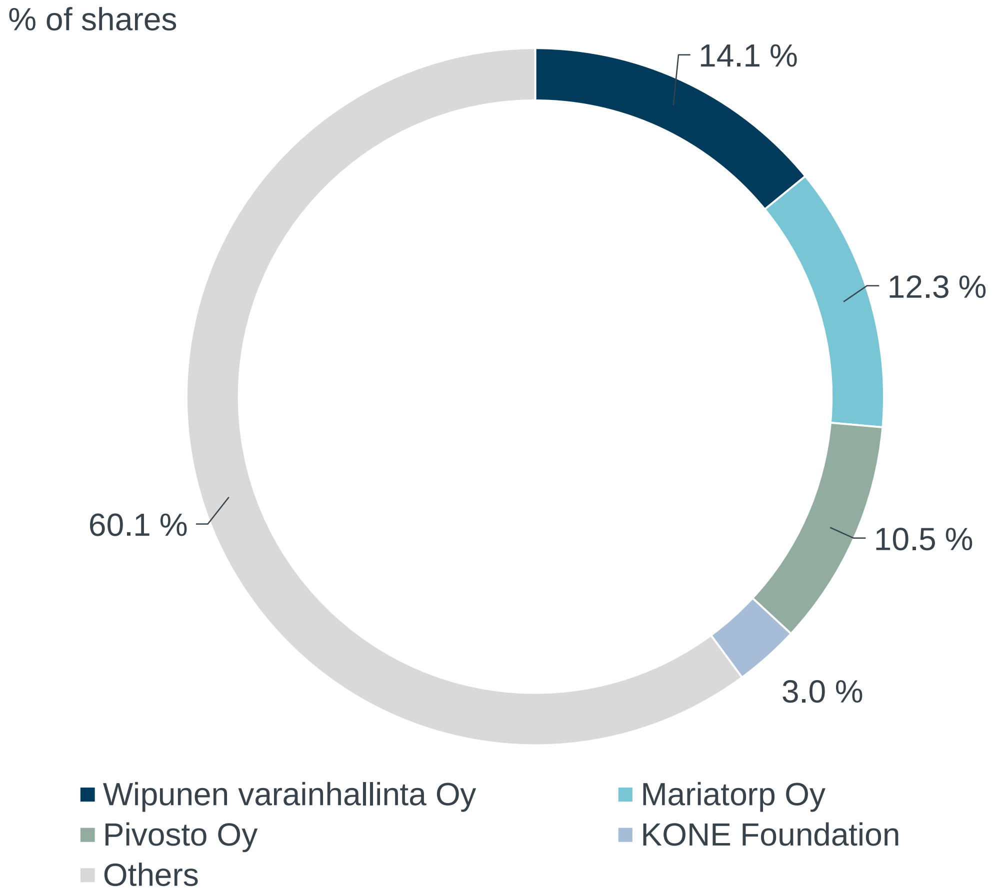
Appendix

1. Largest shareholders and financials
2. Sustainability
3. Kalmar
4. Hiab
5. MacGregor



Largest shareholders
31 July 2017

		% of shares	% of votes
1.	Wipunen varainhallinta Oy	14.1	23.7
2.	Mariatorp Oy	12.3	22.9
3.	Pivosto Oy	10.5	22.1
4.	KONE Foundation	3.0	5.5
5.	Ilmarinen Mutual Pension Insurance Company	1.4	0.6
6.	The State Pension Fund	1.3	0.6
7.	Varma Mutual Pension Insurance Company	0.8	0.3
8.	SEB Finlandia Investment Fund	0.7	0.3
9.	Herlin Heikki Juho Kustaa	0.6	0.3
10.	Sigrid Jusélius Foundation	0.6	0.2
Nominee registered and non-Finnish holders		**30.7**	
Total number of shareholders		**20,965**	



Wipunen varainhallinta Oy is a company controlled by Ilkka Herlin, Mariatorp Oy a company controlled by Niklas Herlin and Pivosto Oy a company controlled by Ilona Herlin.

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

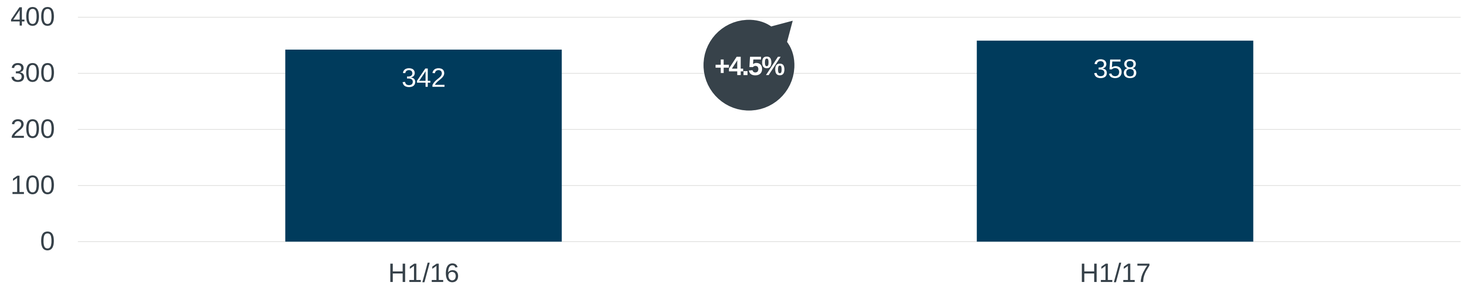
- Good development continued in Europe and the US

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

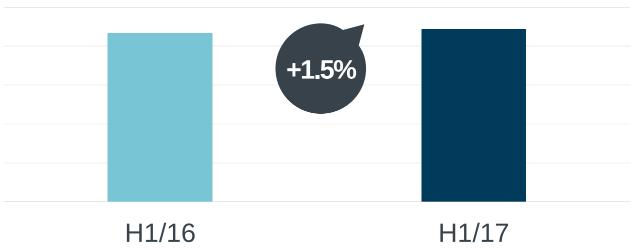
Source: Drewry



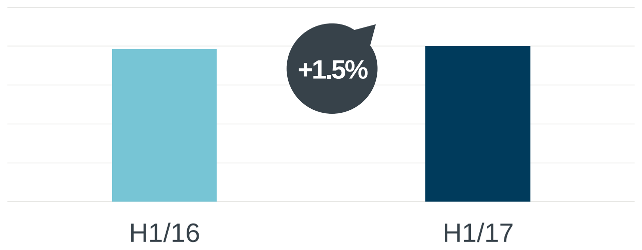
Construction output – Key driver for Hiab

Source: Oxford Economics

United States



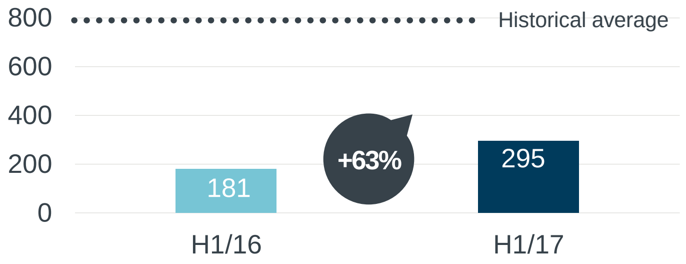
Europe



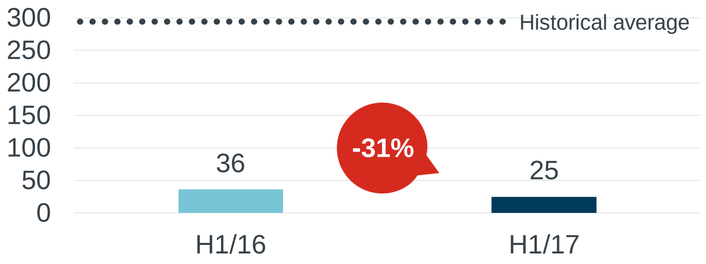
Long term contracting – Key driver for MacGregor

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

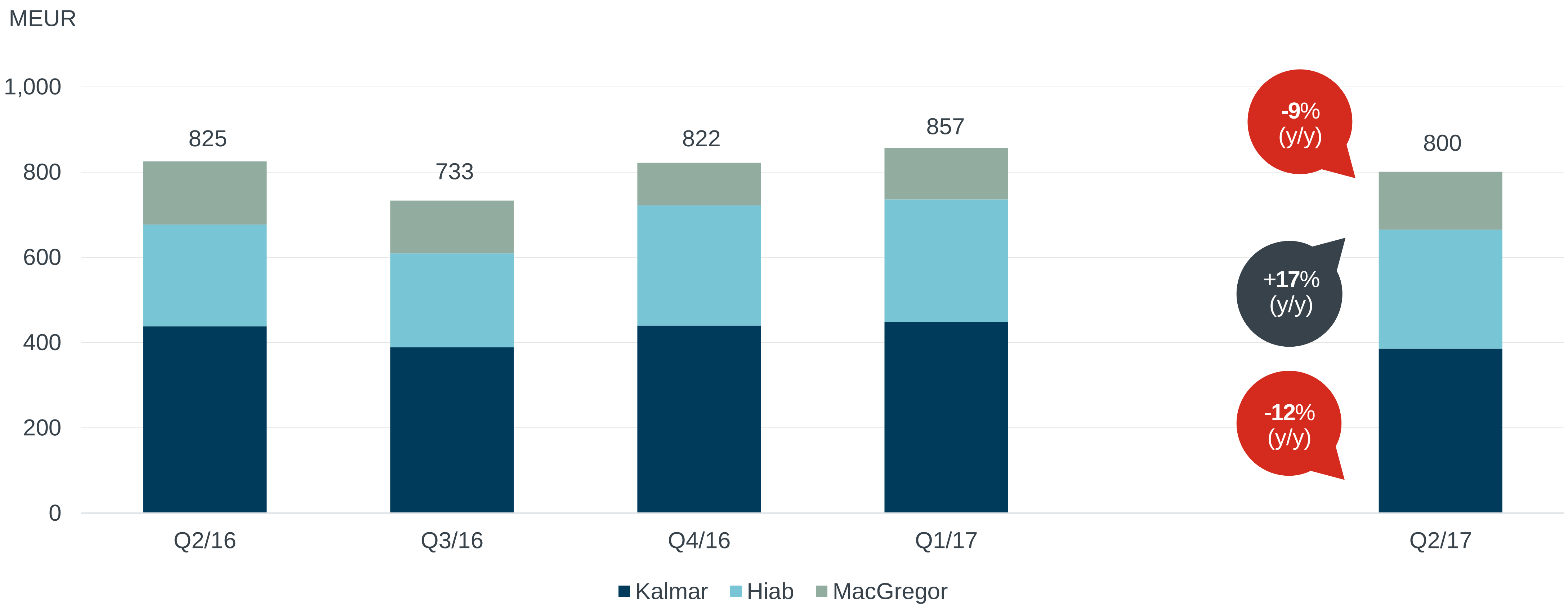
Merchant ships > 2,000 gt (excl. ofs & misc)



Mobile offshore units

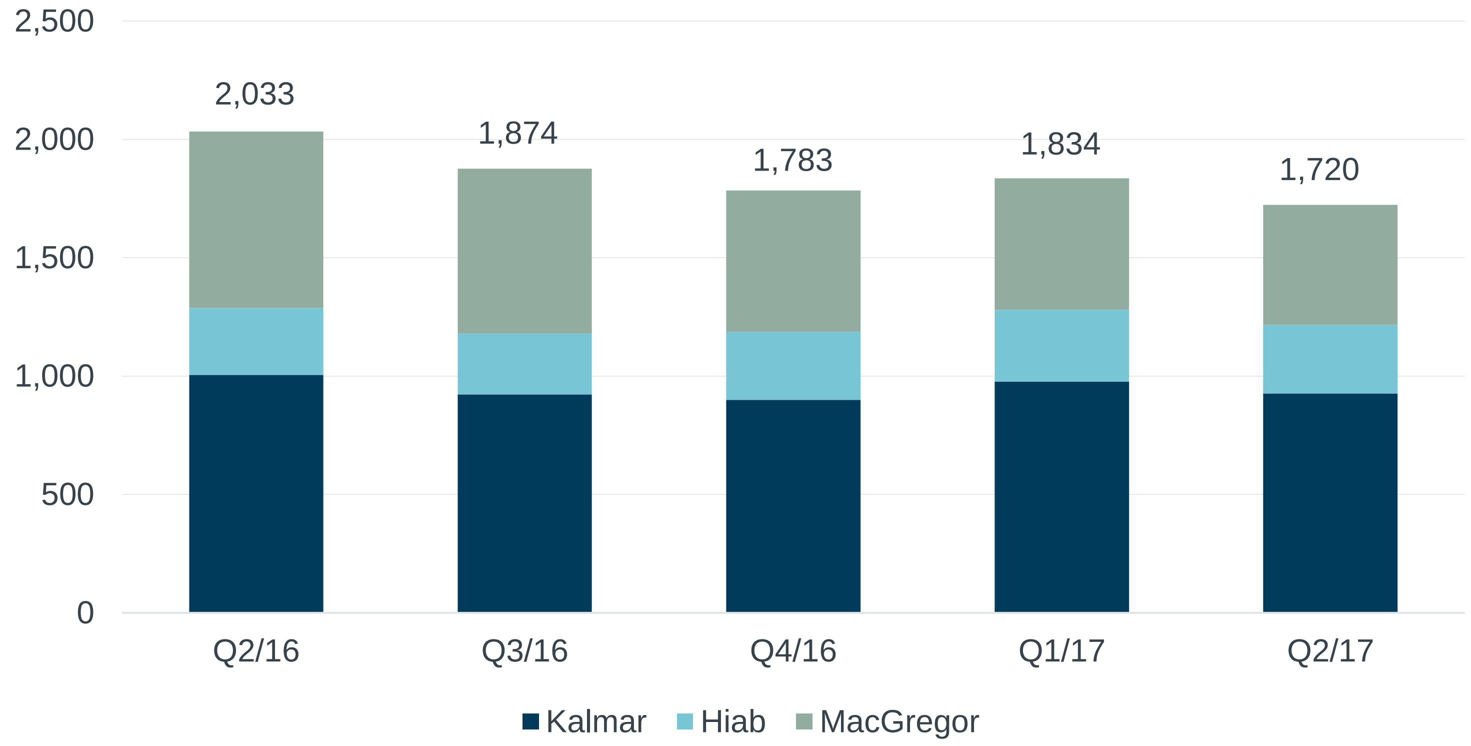


Orders received: Strong increase for Hiab

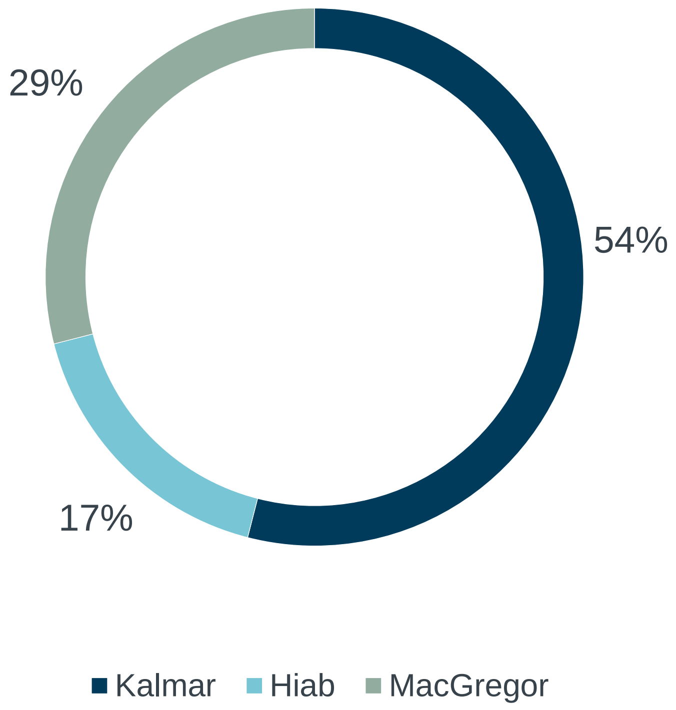


Order book declined

Order book
MEUR



Order book by reporting segments, Q2 2017



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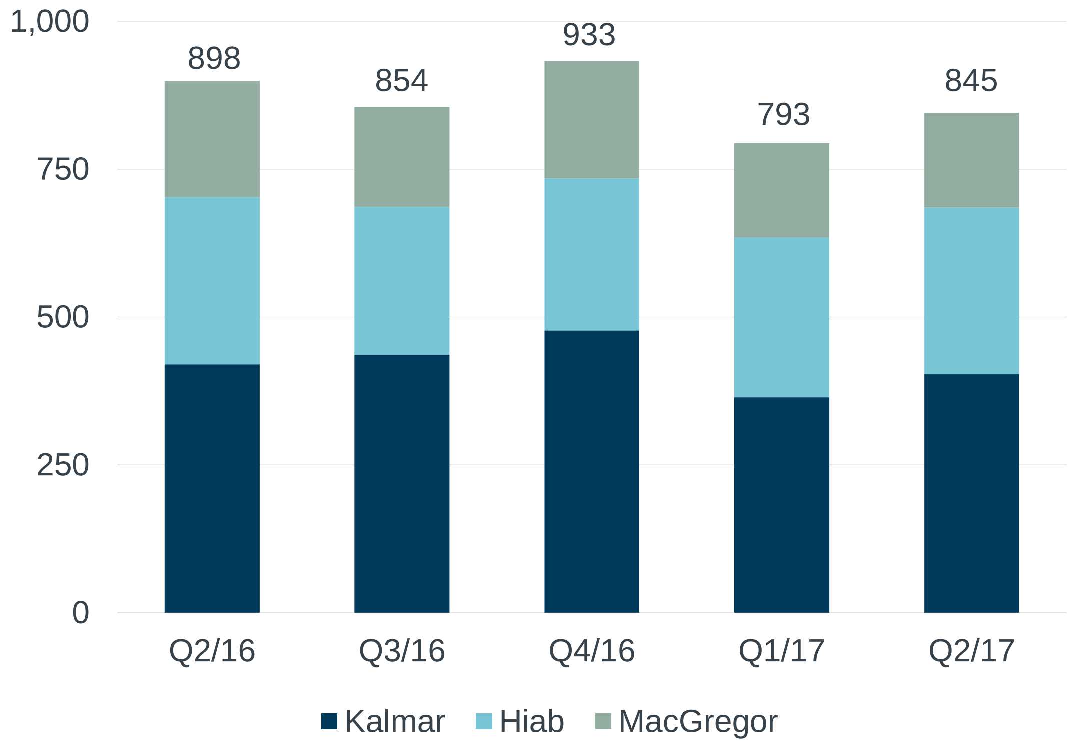
Strong improvement in operating profit* despite sales decline

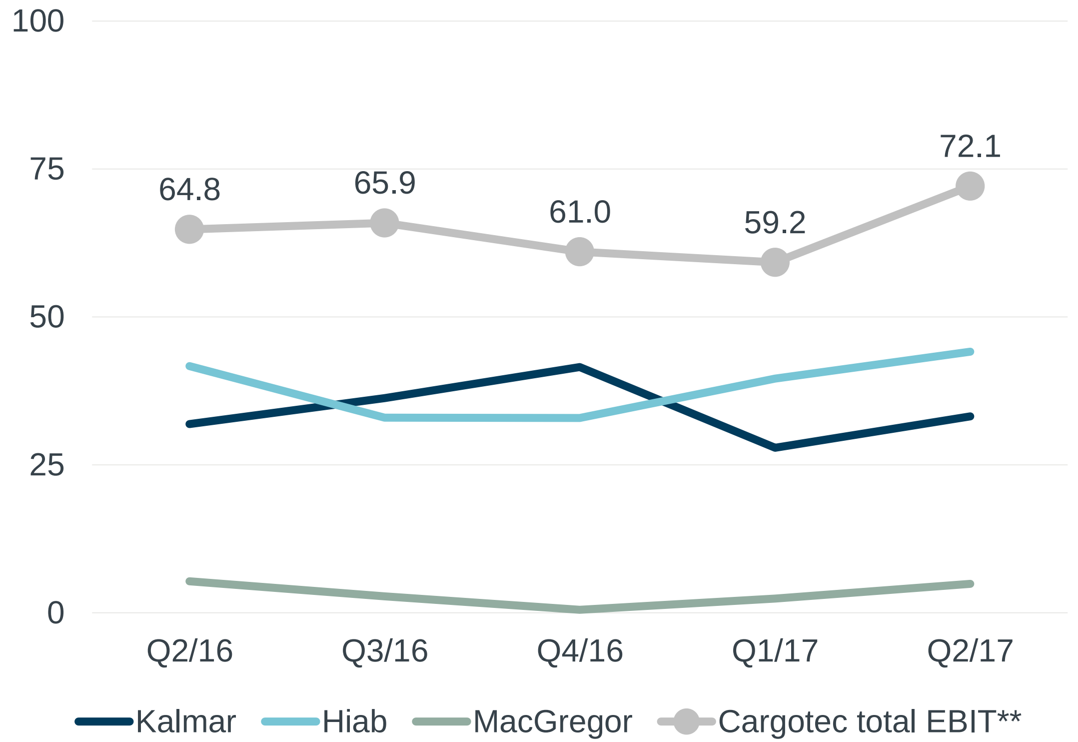
Sales

MEUR



Operating profit*

MEUR



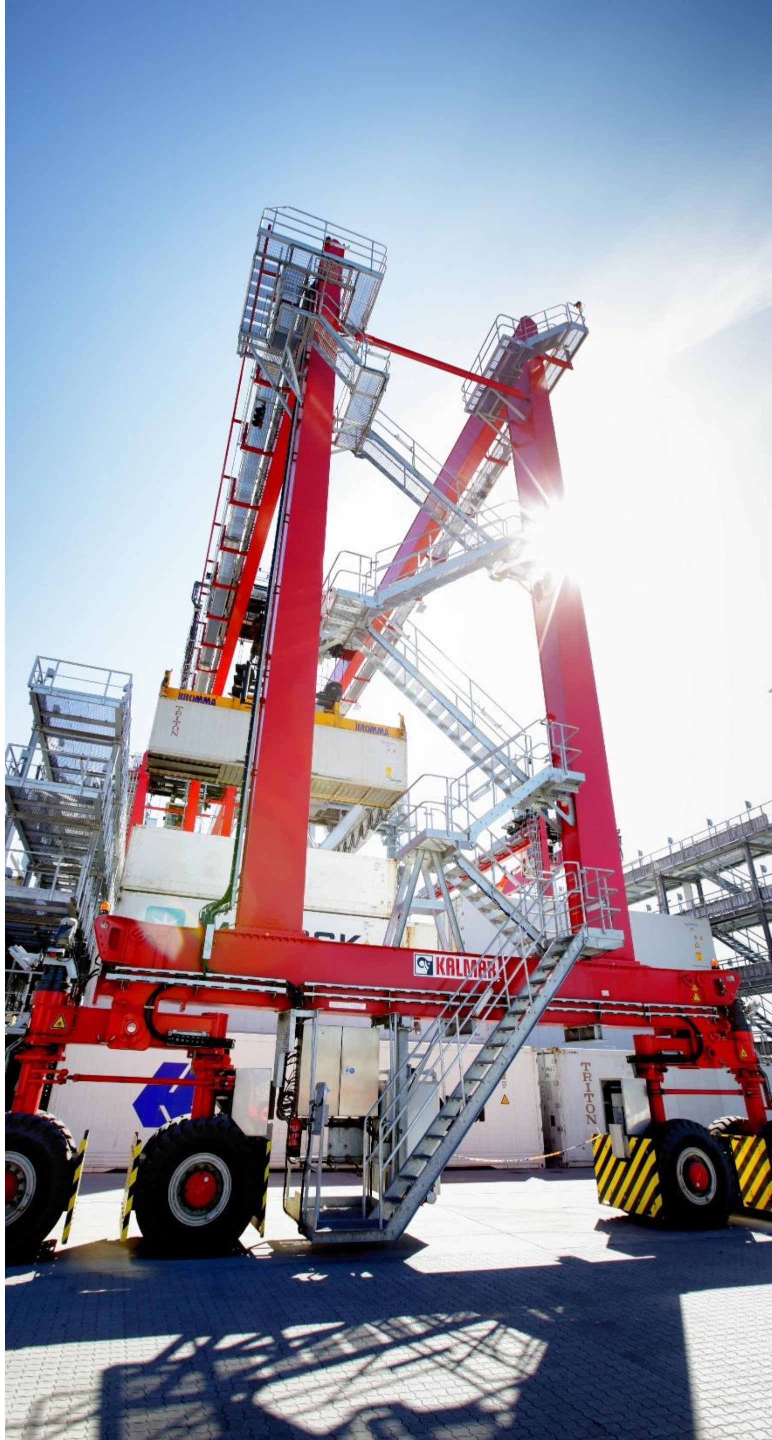
*) Excluding restructuring costs, **) Including Corporate admin and support

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



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

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:

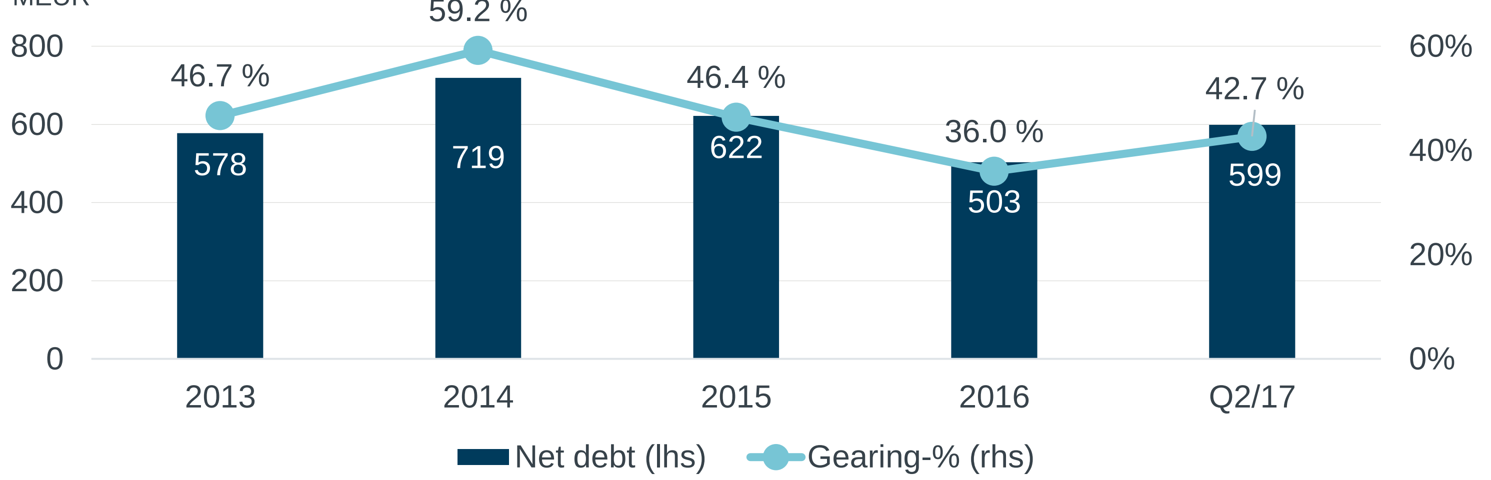
- Bonds EUR 464 million
- Bank loans EUR 307 million
- EUR 300 million revolving credit facility refinanced in Q2/17, the facility is fully undrawn

Balanced maturity profile

- EUR 15 million loans maturing in 2017

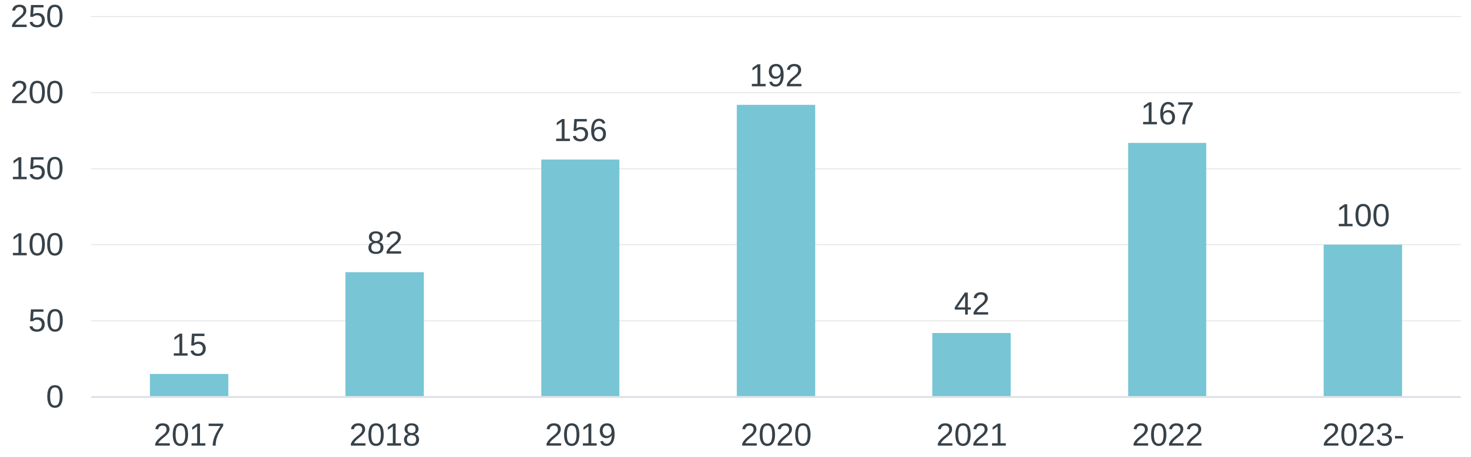
Net debt and gearing

MEUR



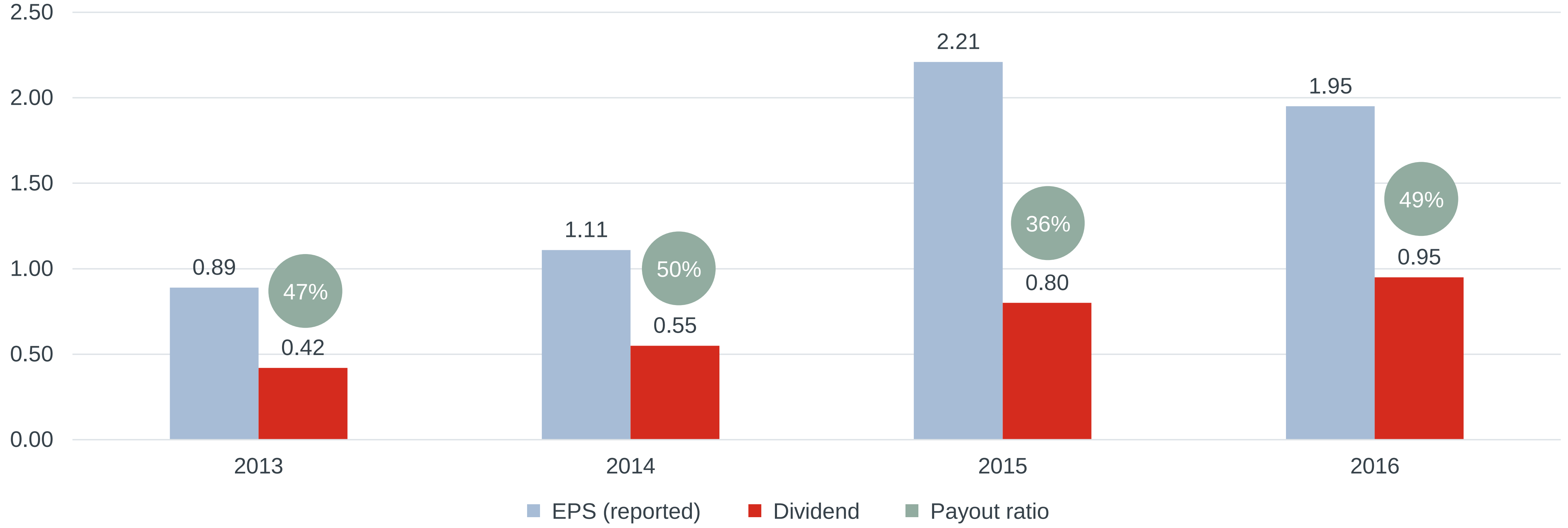
Maturity profile

MEUR



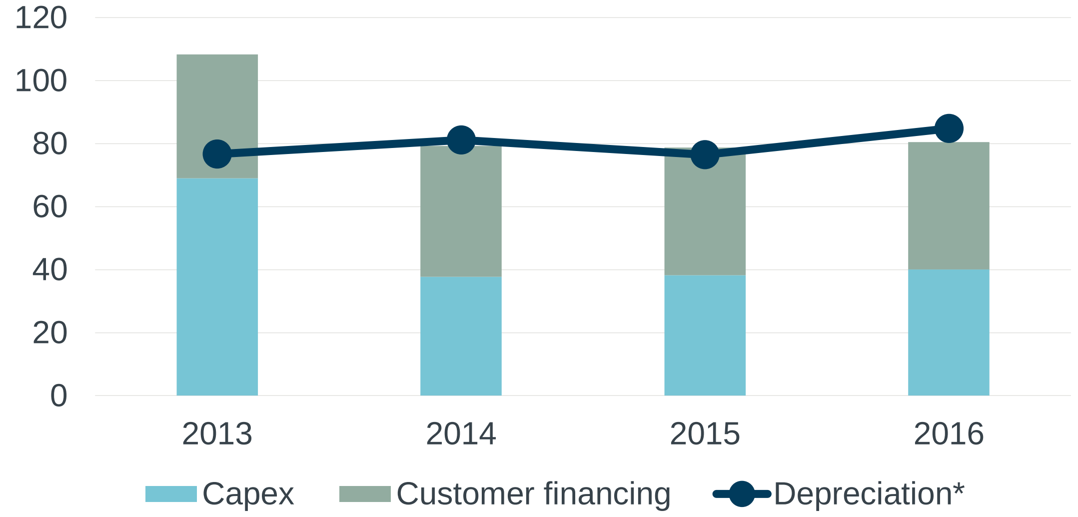
Solid track record to increase the dividend

EUR 0.95 dividend per B share for 2016

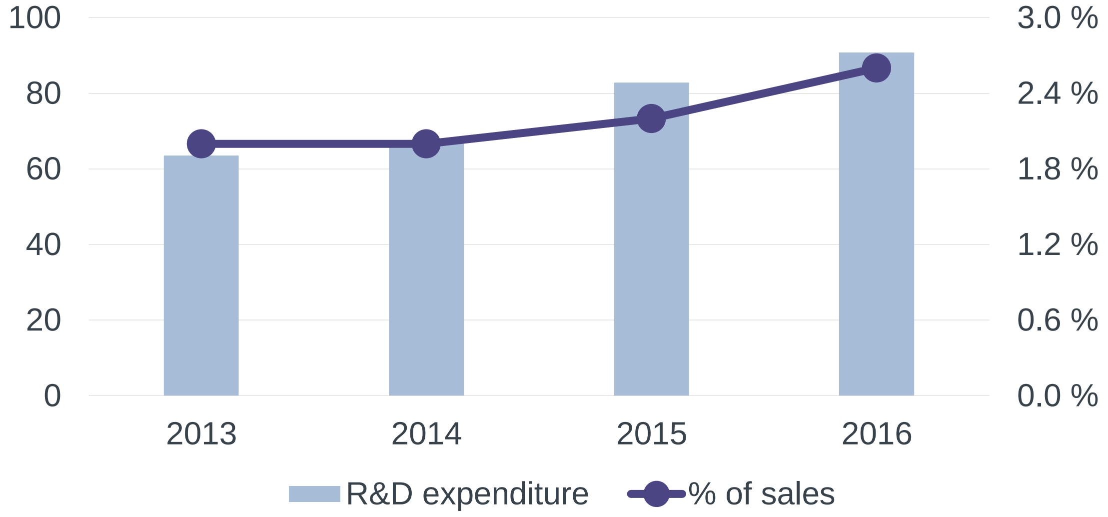


Capex and R&D

Capital expenditure



Research and development



Main capex investments:

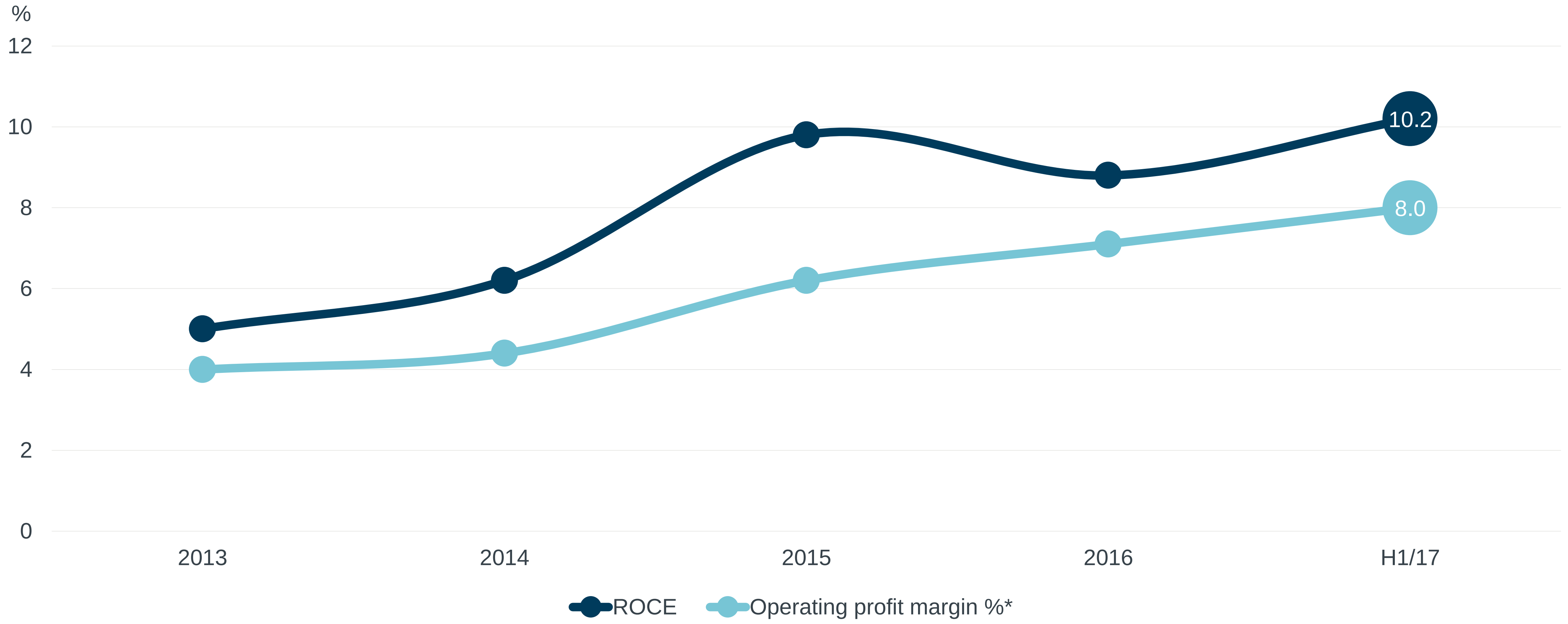
- Kalmar assembly unit in Stargard, Poland
- Manufacturing plant expansion in Kansas, US for Kalmar

R&D investments focused on

- Digitalisation
- Competitiveness and cost efficiency of products

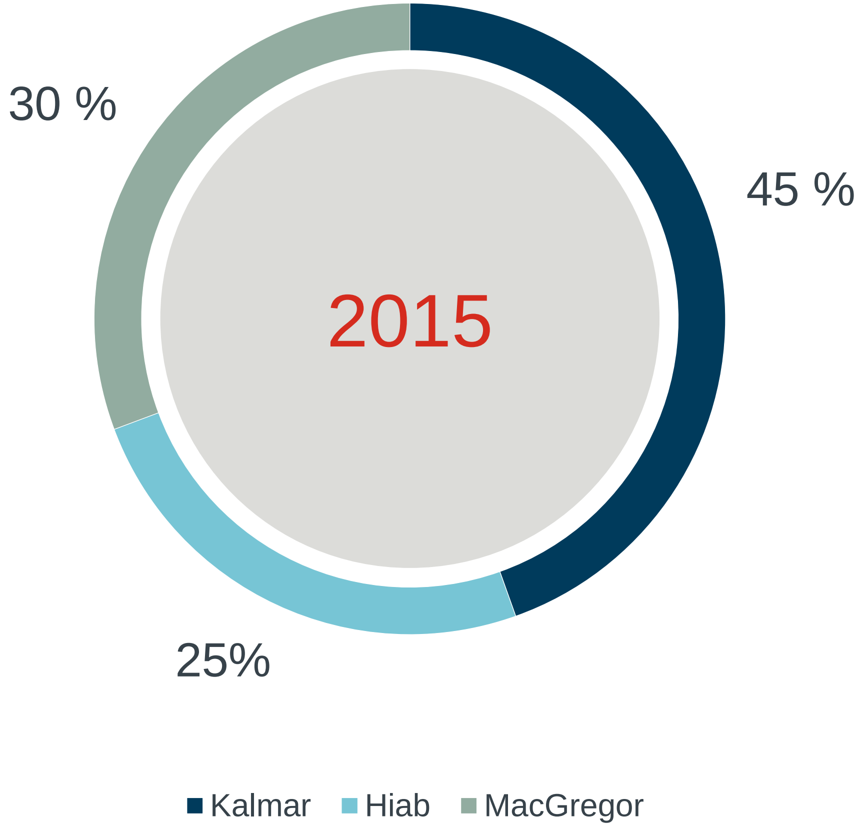
*) Including amortisations and impairments

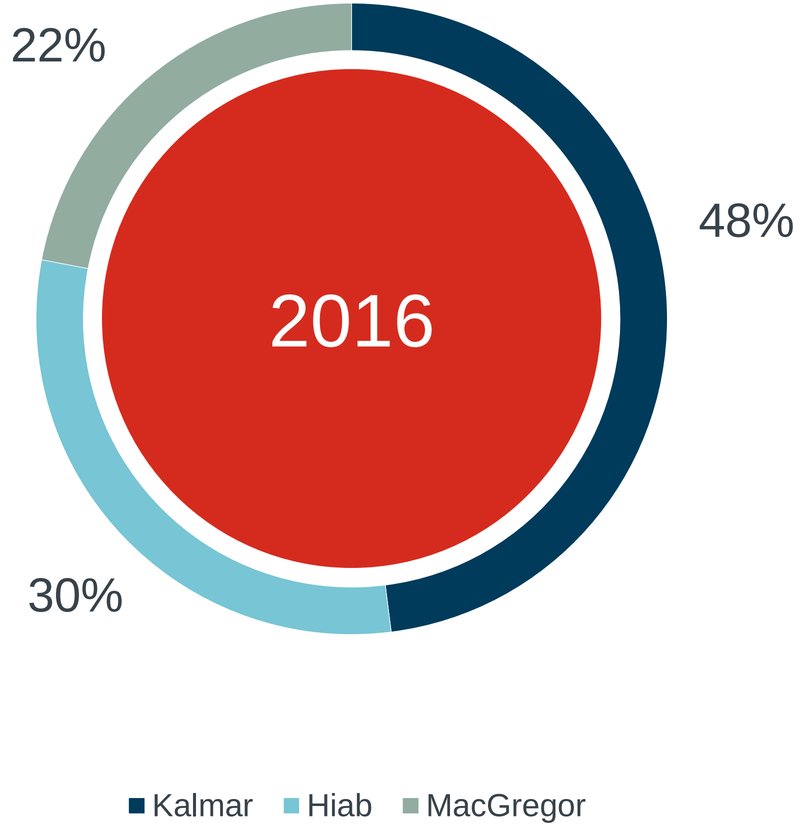
Operating profit* margin and ROCE improved



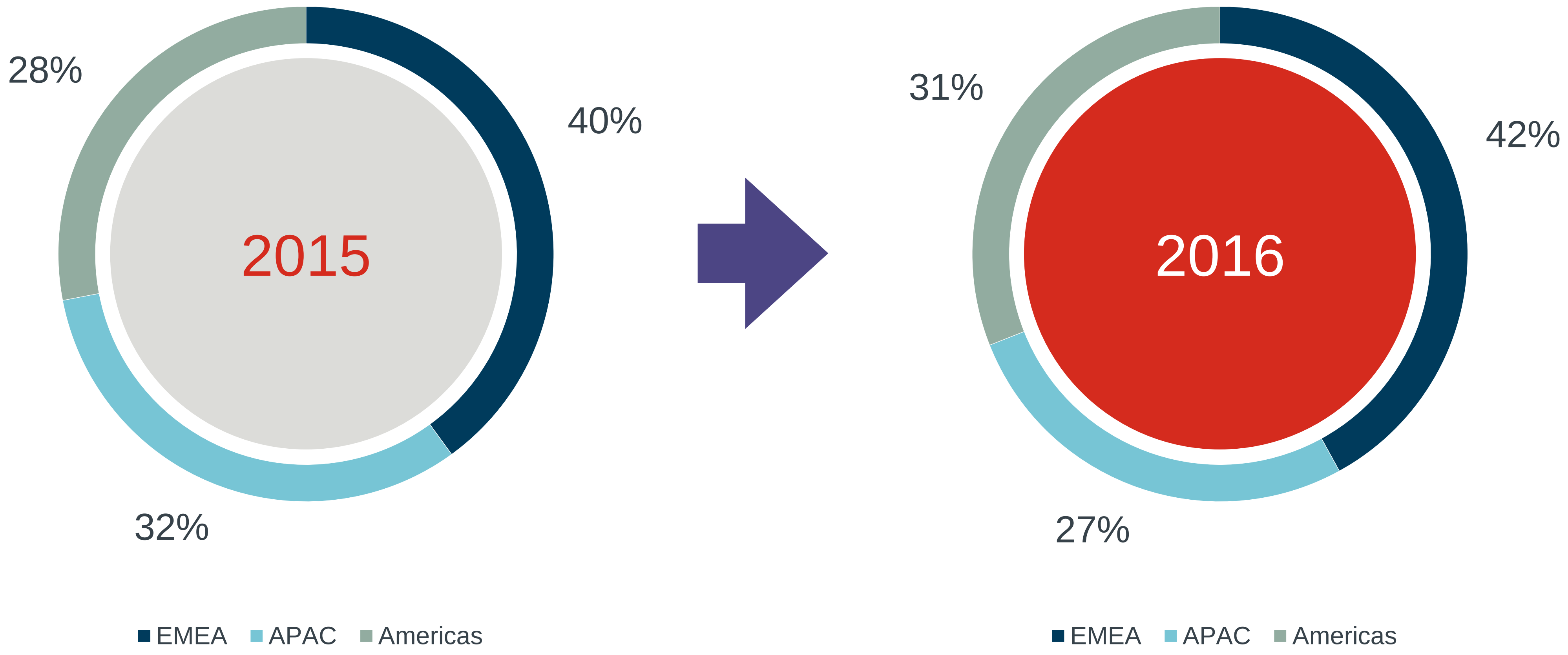
ROCE, annualised *) Excluding restructuring costs

Hiab's share increasing in sales mix

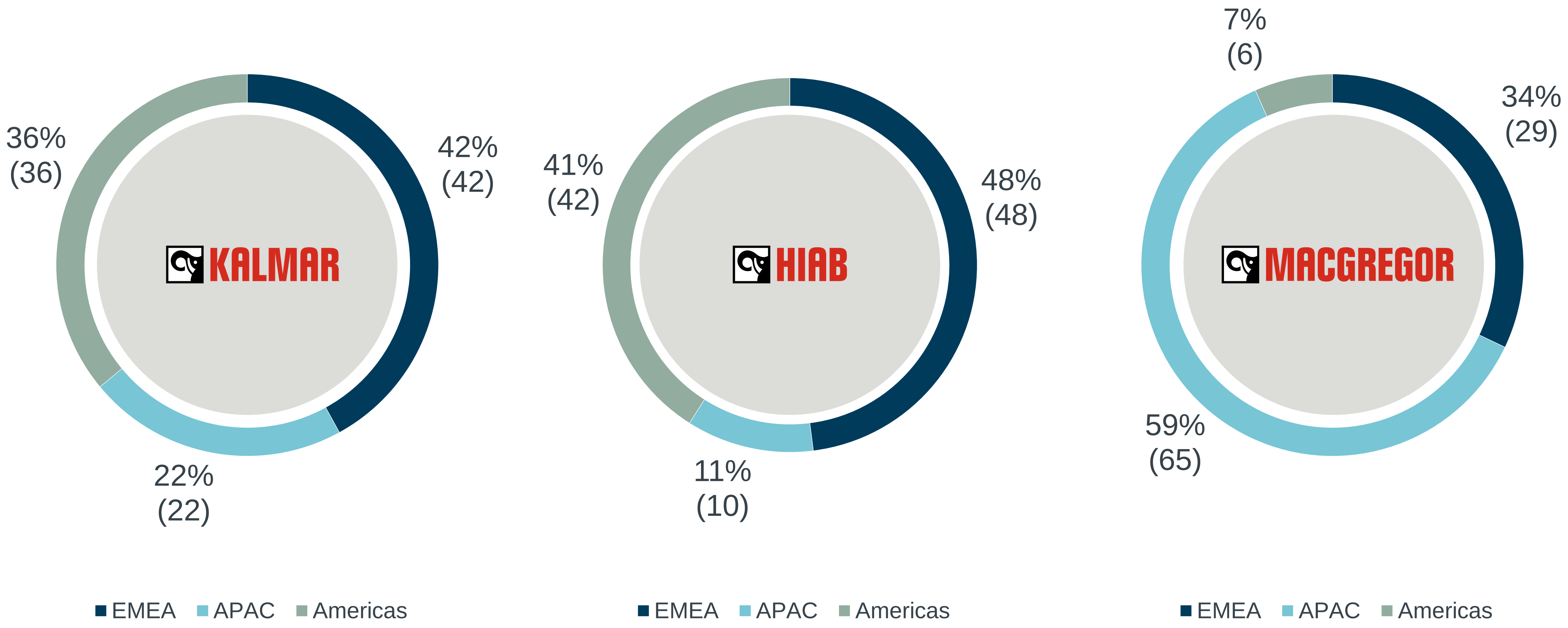




Well diversified geographical sales mix



Sales by geographical segment by business area 2016



Cargotec's R&D and assembly sites

EMEA

- Arendal, Norway (MacGregor R&D)
- Averøy, Norway (Macgregor prod + R&D)
- Kristiansand, Norway (MacGregor R&D)
- Dundalk, Ireland (Hiab prod. + R&D)
- Witney, UK (Hiab prod.)
- Whitstable, UK (MacGregor prod.)
- Zaragoza, Spain (Hiab prod.)
- Uetersen, Germany (MacGregor prod. + WS + R&D)
- Schwerin, Germany (MacGregor prod.)
- Stargard Szczecinski, Poland (Kalmar + Hiab prod.)
- Bispgården, Sweden (Hiab prod.)
- Lidhult, Sweden (Kalmar prod. + R&D)
- Bjuv, Sweden (Kalmar prod.)
- Örnsköldsvik, Sweden (MacGregor WS + WH + R&D)
- Hudiksvall, Sweden (Hiab R&D)
- Helsinki, Finland (HQ)
- Kaarina, Finland (MacGregor R&D)
- Raisio, Finland (Hiab prod.)
- Tampere, Finland (Kalmar WS + R&D)

APAC

- Chungbuk, South Korea (Hiab prod.)
- Tianjin, China (MacGregor prod.)
- Bangalore, India (Kalmar prod. + R&D)
- Chennai, India (Navis–Kalmar R&D)
- Ipoh, Malaysia (Bromma prod.)
- Shanghai, China (Kalmar prod. + WH)
- Busan, South Korea (MacGregor prod.)
- Singapore, (R&D)

Americas

- Ottawa, Kansas (Kalmar prod.)
- Oakland, California (Kalmar R&D)
- Cibolo, Texas (Kalmar prod.)
- Tallmadge, Ohio (Hiab prod.)

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

CARGOTEC

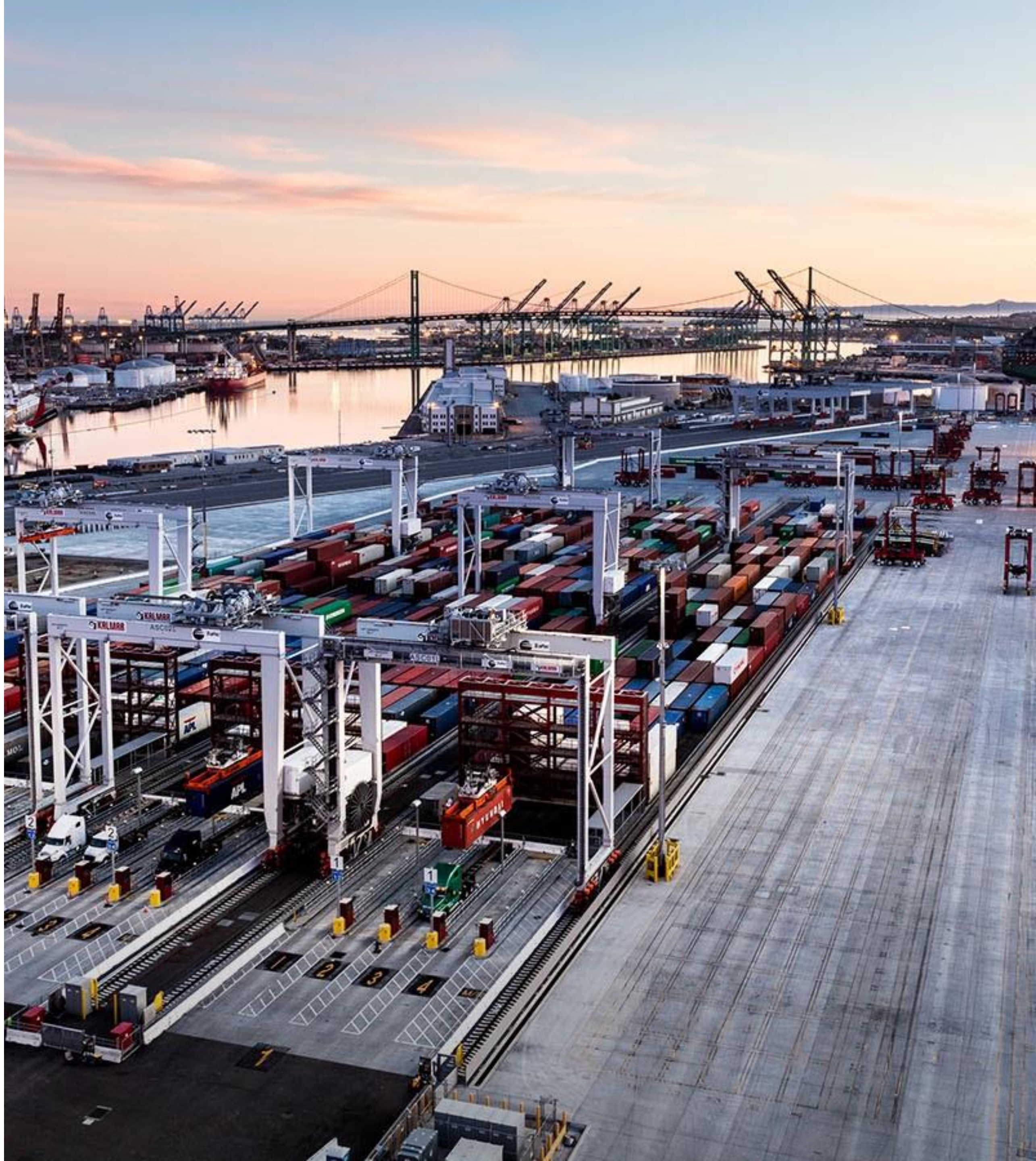
Target:

→ 10%

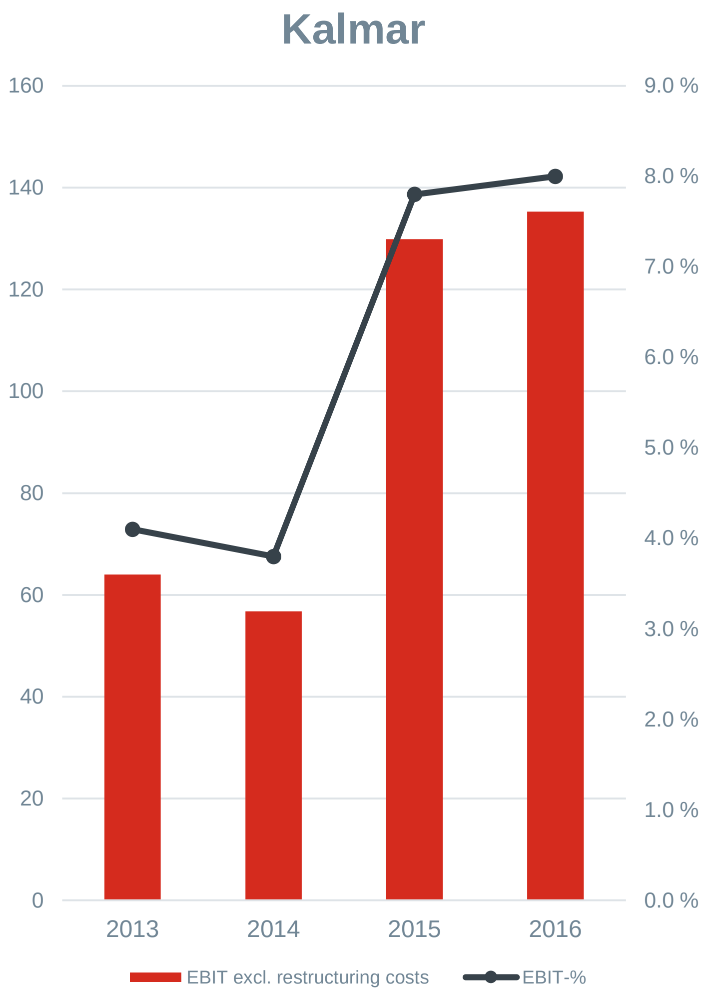
operating profit margin (EBIT) in each business area over the cycle

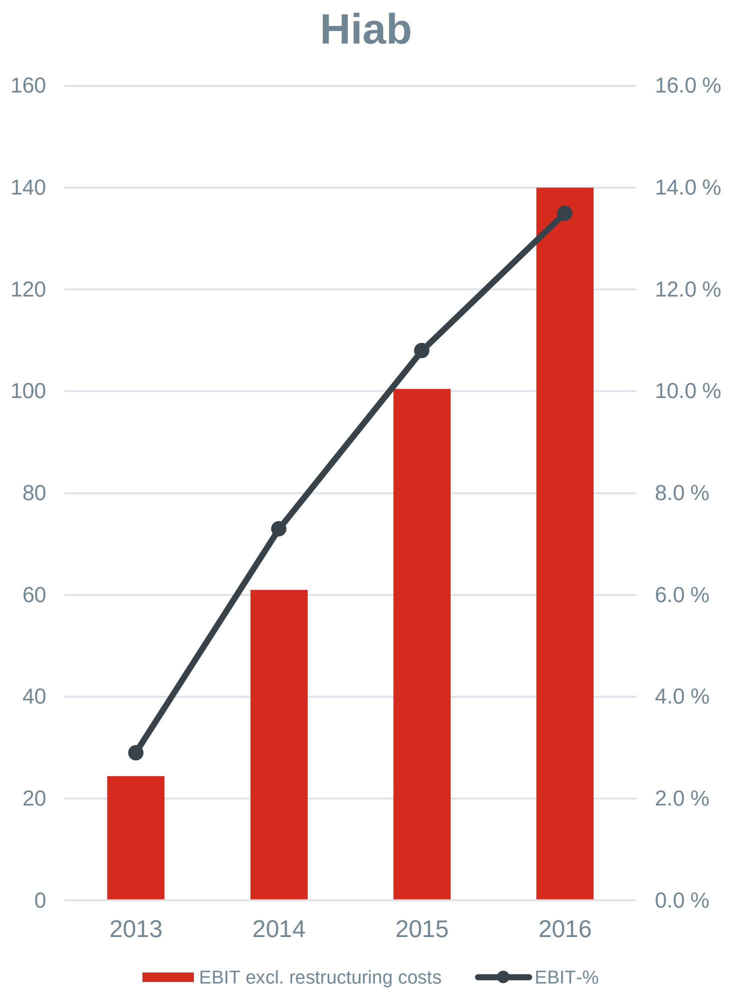
Well positioned to become the leader in intelligent cargo handling

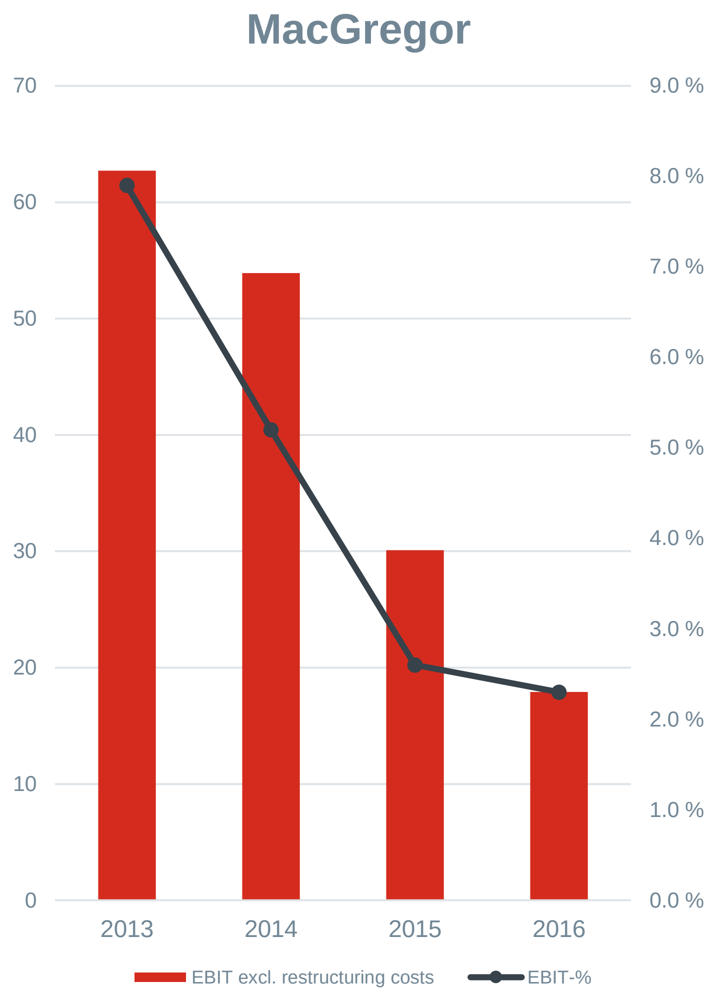
- Execution capabilities in place and profitability improving
- Building on tremendous strengths
- Transforming from equipment company to a company that will shape the cargo handling industry
- Investing to ensure a leading position
- Shaping our portfolio to drive growth and shareholder value



Operating profit excl. restructuring costs development

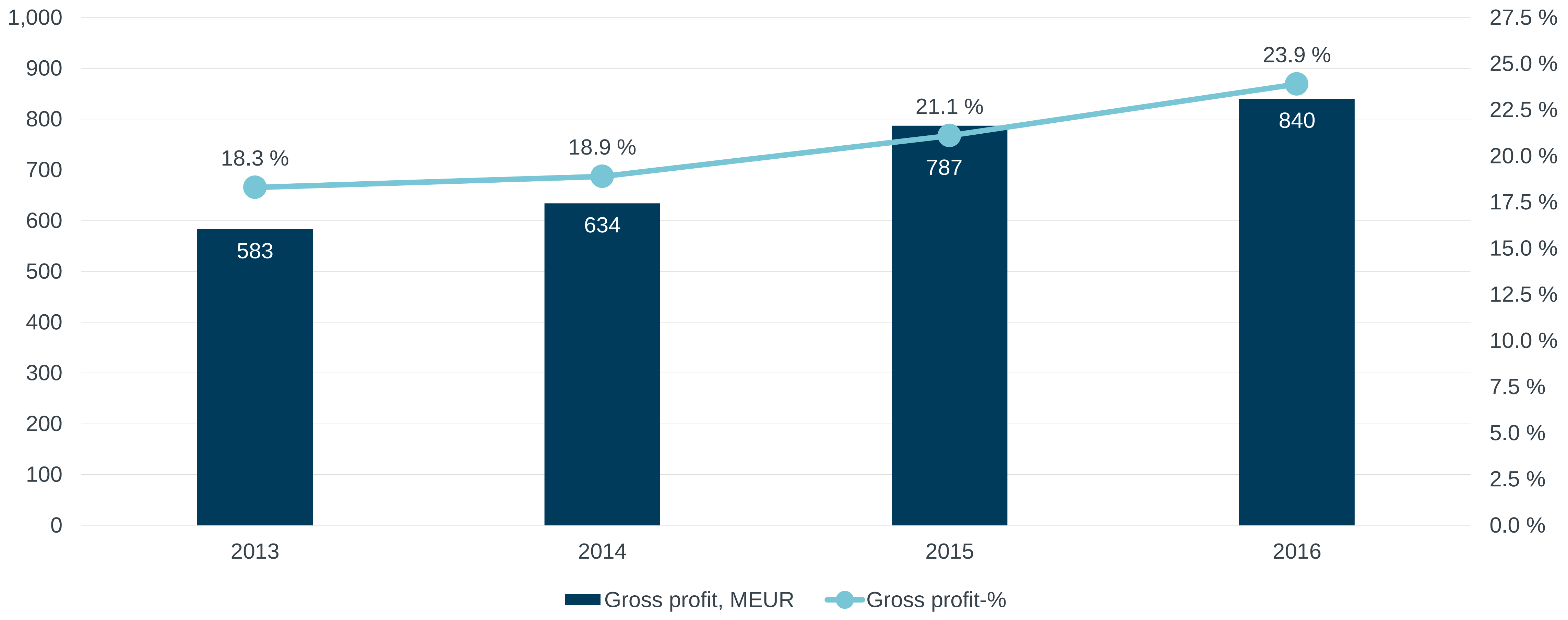




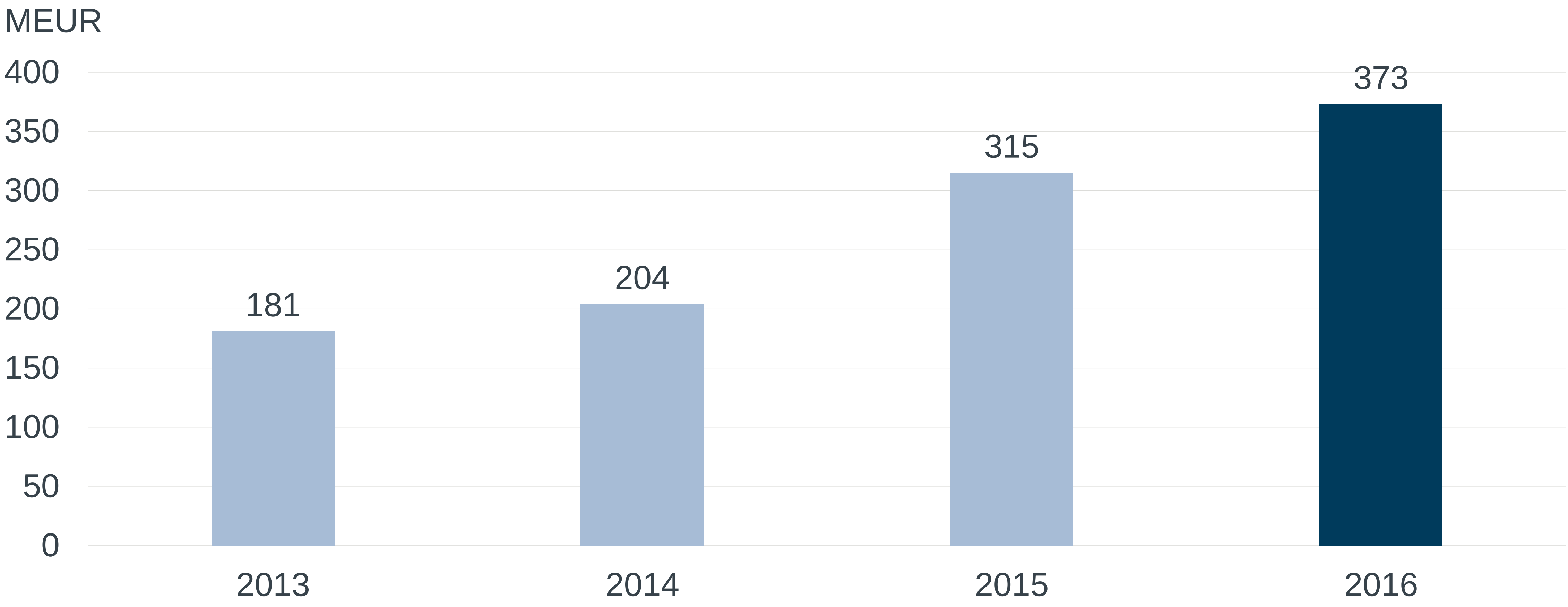


Sales and orders received development

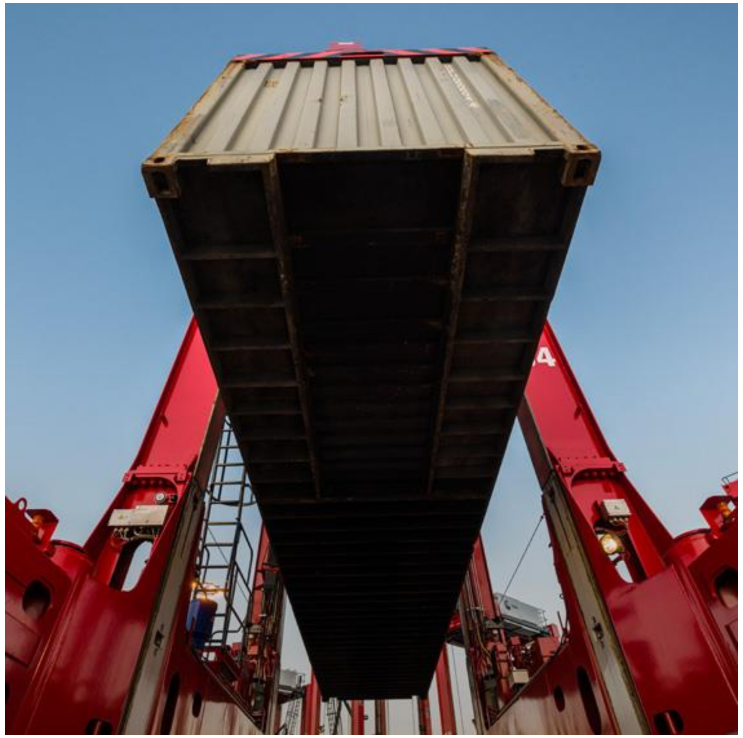
Gross profit improvement driven by new products



Strong cash flow from operations



M&A strategy focusing on bolt on acquisitions



Kalmar

Focus on service footprint expansion and software offering

Hiab

Focus on expanding geographical presence and product offering

MacGregor

Focus on distressed assets and software and intelligent technology

Income statement Q2 2017

MEUR	4–6/2017	4–6/2016	1–6/2017	1–6/2016	1–12/2016
Sales	**844.8**	**898.3**	**1,638.2**	**1,726.6**	**3,513.7**
Cost of goods sold	-622.5	-675.1	-1,210.8	-1,306.4	-2,674.0
Gross profit	**222.3**	**223.2**	**427.4**	**420.2**	**839.7**
Gross profit, %	*26.3*	*24.8*	*26.1*	*24.3*	*23.9*
Other operating income	8.7	8.6	19.1	18.6	38.1
Selling and marketing expenses	-56.6	-56.5	-113.3	-111.0	-221.1
Research and development expenses	-25.0	-23.9	-49.1	-46.0	-94.1
Administration expenses	-68.9	-73.6	-135.9	-136.1	-277.0
Restructuring costs	-11.7	-2.3	-14.6	-3.1	-52.5
Other operating expenses	-8.3	-8.4	-17.9	-20.5	-37.8
Costs and expenses	-161.7	-156.1	-311.7	-298.1	-644.4
Share of associated companies' and joint ventures' net income	-0.2	-4.6	1.0	-1.8	2.5
Operating profit	**60.4**	**62.6**	**116.7**	**120.2**	**197.7**
Operating profit, %	*7.2*	*7.0*	*7.1*	*7.0*	*5.6*
Financing income and expenses	-9.0	-5.1	-17.3	-11.9	-28.6
Income before taxes	**51.4**	**57.5**	**99.4**	**108.3**	**169.1**
Income before taxes, %	*6.1*	*6.4*	*6.1*	*6.3*	*4.8*
Income taxes	-13.9	-17.0	-25.3	-28.8	-43.8
Net income for the period	**37.5**	**40.4**	**74.0**	**79.6**	**125.3**
Net income for the period, %	*4.4*	*4.5*	*4.5*	*4.6*	*3.6*
Net income for the period attributable to:					
Equity holders of the parent	37.6	40.5	74.3	79.7	126.0
Non-controlling interest	0.0	-0.1	-0.3	-0.1	-0.7
Total	**37.5**	**40.4**	**74.0**	**79.6**	**125.3**
Basic earnings per share, EUR	0.58	0.63	1.15	1.23	1.95
Diluted earnings per share, EUR	0.58	0.63	1.15	1.23	1.94

Balance sheet Q2 2017

ASSETS, MEUR	30 Jun 2017	30 Jun 2016	31 Dec 2016
Non-current assets			
Goodwill	998.9	1,014.0	1,024.5
Other intangible assets	269.1	292.0	290.2
Property, plant and equipment	292.7	306.1	308.6
Investments in associated companies and joint ventures	114.6	114.1	123.4
Available-for-sale investments	3.8	3.8	3.8
Loans receivable and other interest-bearing assets*	4.8	2.2	3.0
Deferred tax assets	191.3	170.4	185.0
Derivative assets	10.2	14.0	16.9
Other non-interest-bearing assets	7.0	6.1	7.9
Total non-current assets	**1,892.4**	**1,922.8**	**1,963.4**
Current assets			
Inventories	657.2	690.9	647.0
Loans receivable and other interest-bearing assets*	2.9	2.5	1.9
Income tax receivables	39.8	20.5	26.1
Derivative assets	44.7	31.1	45.8
Accounts receivable and other non-interest-bearing assets	739.9	787.4	778.9
Cash and cash equivalents*	164.3	141.5	273.2
Total current assets	**1,648.9**	**1,673.9**	**1,773.0**
Total assets	**3,541.3**	**3,596.7**	**3,736.3**

EQUITY AND LIABILITIES, MEUR	30 Jun 2017	30 Jun 2016	31 Dec 2016
Equity attributable to the equity holders of the parent			
Share capital	64.3	64.3	64.3
Share premium account	98.0	98.0	98.0
Translation differences	7.9	30.2	37.3
Fair value reserves	-3.6	-17.2	-24.7
Reserve for invested non-restricted equity	69.0	76.6	69.0
Retained earnings	1,163.1	1,107.3	1,151.1
Total equity attributable to the equity holders of the parent	1,398.7	1,359.2	1,395.0
Non-controlling interest	2.4	2.0	2.2
Total equity	**1,401.0**	**1,361.2**	**1,397.2**
Non-current liabilities			
Interest-bearing liabilities*	732.8	657.1	656.8
Deferred tax liabilities	74.8	73.4	73.1
Pension obligations	83.1	74.7	81.4
Provisions	15.4	24.7	37.6
Other non-interest-bearing liabilities	57.9	47.3	49.4
Total non-current liabilities	**964.0**	**877.2**	**898.2**
Current liabilities			
Current portion of interest-bearing liabilities*	17.8	117.9	119.4
Other interest-bearing liabilities*	30.6	20.7	45.8
Provisions	121.0	76.1	112.8
Advances received	130.2	209.5	160.6
Income tax payables	20.6	32.2	32.0
Derivative liabilities	15.4	23.0	34.1
Accounts payable and other non-interest-bearing liabilities	840.7	878.8	936.2
Total current liabilities	**1,176.3**	**1,358.3**	**1,440.8**
Total equity and liabilities	**3,541.3**	**3,596.7**	**3,736.3**

Cash flow statement Q2 2017

MEUR	1–6/2017	1–6/2016	1–12/2016
Net income for the period	74.0	79.6	125.3
Depreciation, amortisation and impairment	35.5	38.5	84.8
Other adjustments	44.3	45.2	72.5
Change in net working capital	-101.2	-16.7	90.5
Cash flow from operations before financing items and taxes	**52.6**	**146.6**	**373.0**
Cash flow from financing items and taxes	-61.7	-13.7	-59.5
Net cash flow from operating activities	**-9.0**	**132.8**	**313.5**
Acquisitions, net of cash acquired	-0.9	-64.6	-66.8
Disposals of businesses, net of cash sold	-1.2	-	-
Investments in associated companies and joint ventures	-4.7	-2.7	-2.7
Cash flow from investing activities, other items	-29.0	-25.8	-61.9
Net cash flow from investing activities	**-35.8**	**-93.2**	**-131.5**
Proceeds from share subscriptions	-	0.5	0.5
Treasury shares acquired	-	-	-7.6
Acquisition of non-controlling interests	-0.4	-	-
Proceeds from long-term borrowings	250.0	-	-
Repayments of long-term borrowings	-241.4	-2.9	-3.2
Proceeds from short-term borrowings	6.7	25.4	38.2
Repayments of short-term borrowings	-32.2	-61.5	-58.9
Profit distribution	-61.6	-51.9	-52.8
Net cash flow from financing activities	**-79.0**	**-90.4**	**-83.9**
Change in cash and cash equivalents	**-123.8**	**-50.7**	**98.1**
Cash, cash equivalents and bank overdrafts at the beginning of period	260.8	164.9	164.9
Effect of exchange rate changes	10.0	15.6	-2.2
Cash, cash equivalents and bank overdrafts at the end of period	**147.0**	**129.8**	**260.8**
Bank overdrafts at the end of period	17.3	11.7	12.4
Cash and cash equivalents at the end of period	**164.3**	**141.5**	**273.2**

Sustainability

Sustainability is a great business opportunity

We serve an industry, which produces the majority of emissions as well as GDP in the world

- Inefficient industry with potential to improve

Our vision to be the leader in intelligent cargo handling also drives sustainability

- Increasing efficiency and life-time solutions

We are in a position to be the global frontrunner, setting the sustainability standards for the whole industry

- We are ready to shape the industry to one that is more sustainable

CARGOTEC

Sea Freight Transport is by far the most sustainable transport mode in terms of emissions

Compared to transportation of goods

- by trains, sea freight emits ~2-3 times less emissions
- by trucks, sea freight emits ~3-4 times less emissions
- by air cargo, sea freight emits ~14 times less emissions

Offering for eco-efficiency:

~20% of 2016 revenue with huge potential to improve

Systems efficiency

Visibility to identify inefficient use of resources and fuel

Software and design system

Efficiency for environmental industries

Offering to support the operations in environmental industries

Cargotec solutions for environmental industries

Emission efficiency

Technology to enable fuel and emission efficient offering

Products with features to decrease fuel usage and avoidance of maritime hydraulic oil emissions

Resource efficiency

Service enabling the extended usage of products or new applications

Product conversions and modernizations

Cargotec will set the industry standard for sustainability

- Cargotec is a supporter of UN Global Compact and other major international sustainability initiatives
- We set the industrial standard in compliant and transparent operations
- We have a clear governance on sustainability issues with Board overview on the subject
- Safety is our key priority and we have clear improvement program to further decrease our current IIFR rate of 5.76
- Certification coverage of production sites:
  - ISO14001 **92%**
  - OHSAS18001 **80%**
  - ISO9001 **94%**

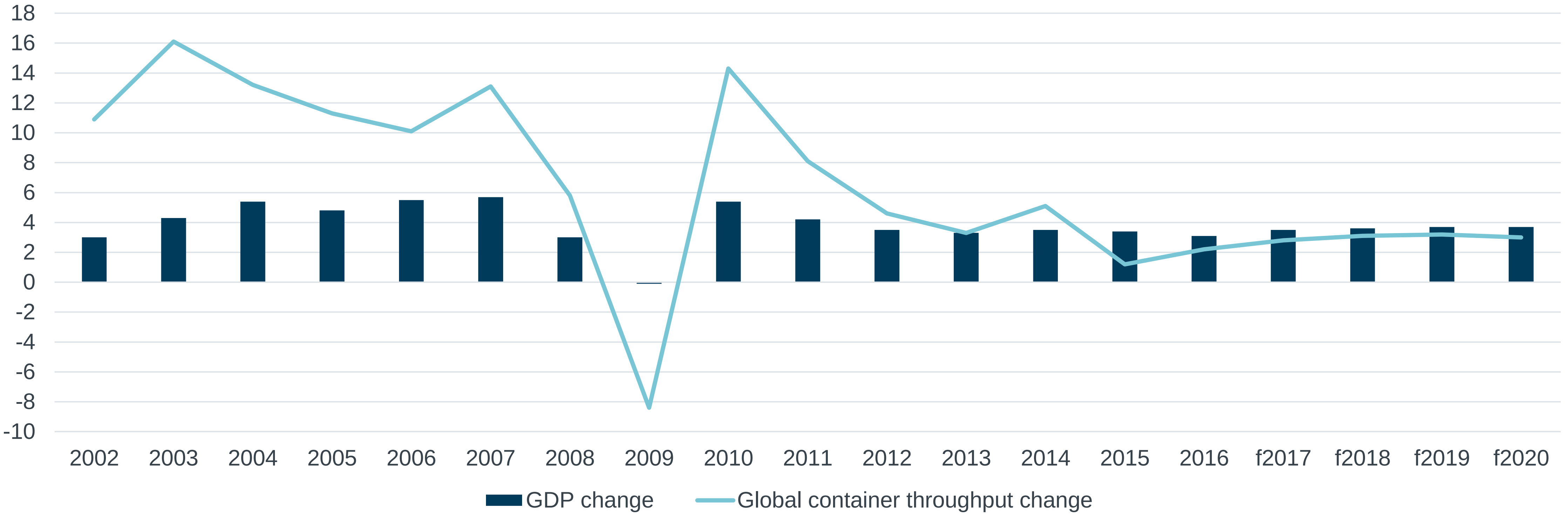
Kalmar appendix

Global container throughput development

Growth stabilising in the short-mid term

Global container throughput and GDP

Change % y/y



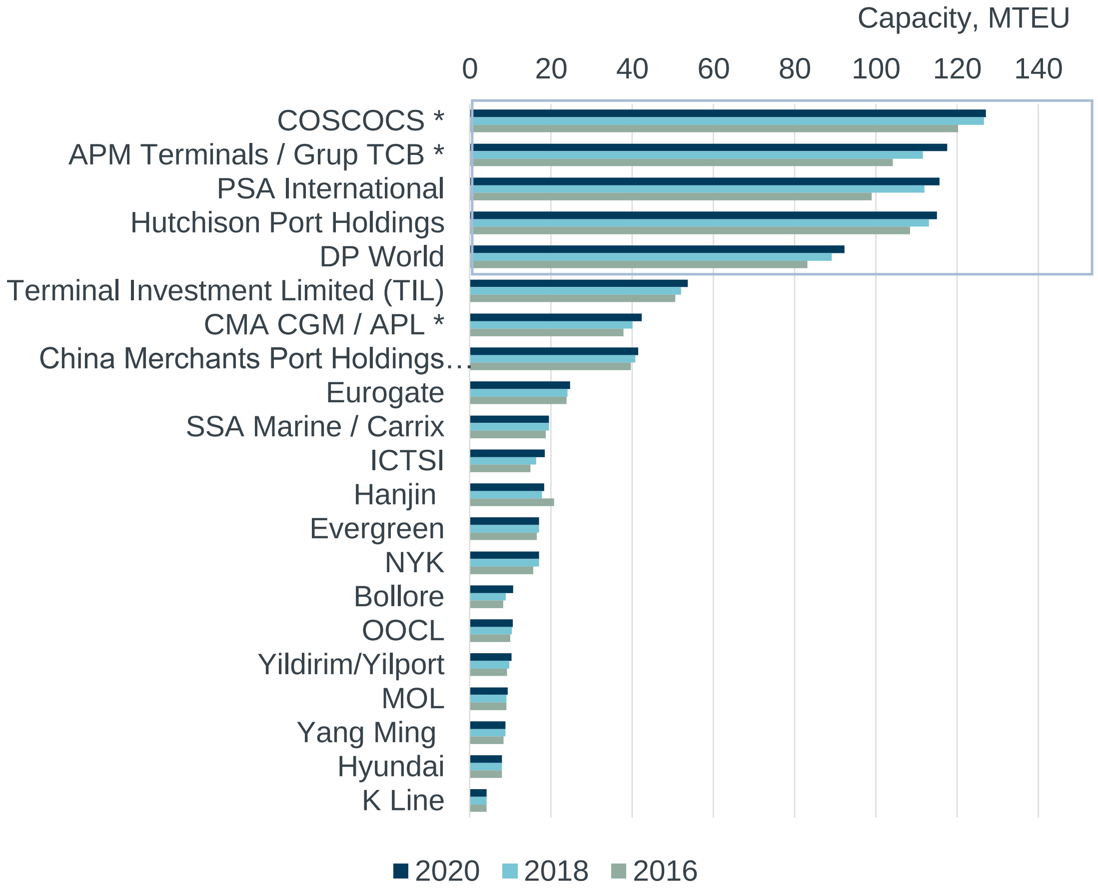
Sources: Drewry Q1 2017
Drewry Q3 2016 (2018-2020)
IMF World Economic Outlook Database, April 2017

Consolidation leading to five dominant container terminal operators in 2020

24 Global Terminal Operators' total forecasted capacity increase 2015-2020 is 125 Mteu, increasing 3.1% p.a to 892 Mteu by 2020

Terminal operators consolidating, recent M&A activity:

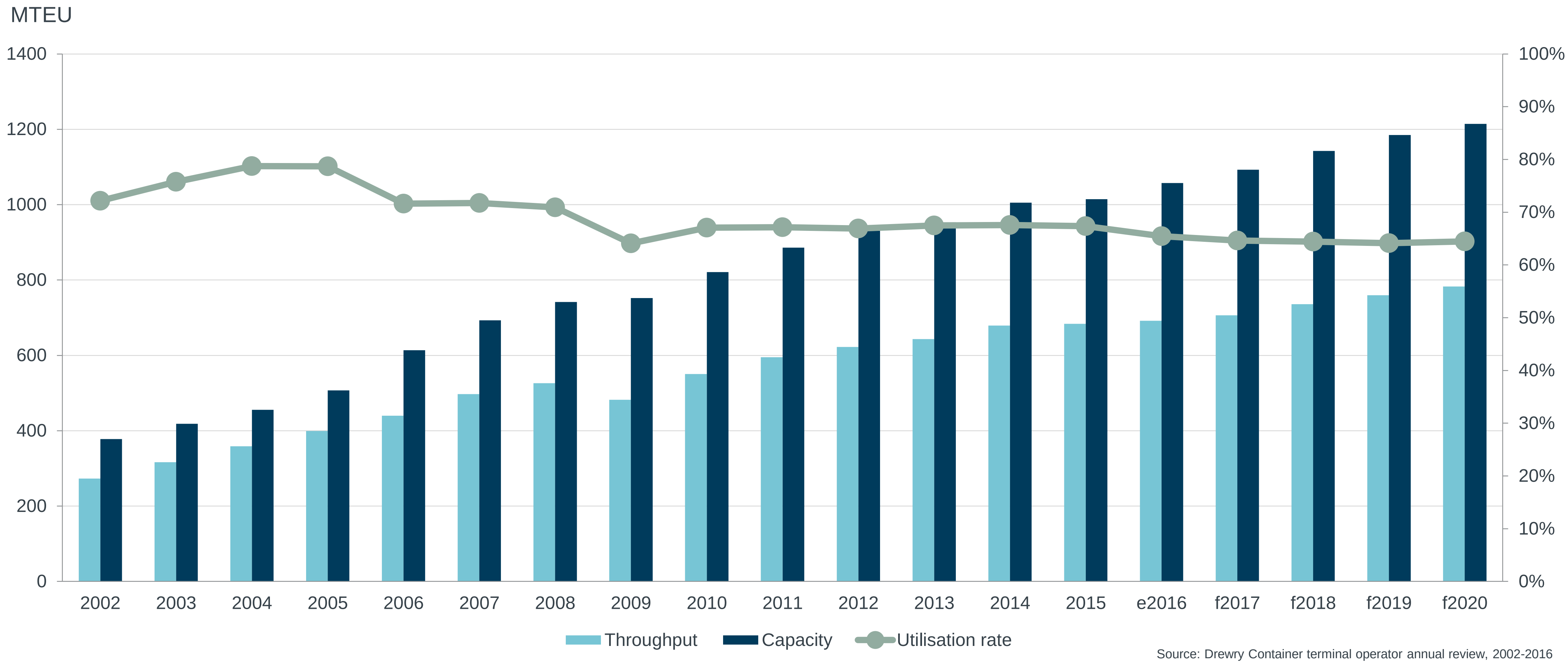
- COSCO and China Shipping merged
- APMT bought Group TCB
- CMA CGM bought APL
- Yildrim bought Portugese Tertir group and the company is also eyeing Ports America



Source: Drewry

* Capacity counted once in all terminals where shareholding held by both sub operators

Global container throughput and capacity development



Source: Drewry Container terminal operator annual review, 2002-2016

Three alliances controlling about 80% of global container fleet capacity

In 2018 there could be only 9-10 major global shopping lines

Shipping line	Alliance/ Vessel sharing agreement (VSA)		April 2017
Maersk	P3 (denied)	2M	2M
MSC			
CMA CGM		Ocean Three	Ocean Alliance
China Shipping	China Shipping/ UASC		
UASC			
NYK	Grand Alliance	G6 Alliance	
OOCL (acquisition?)			
Hapag-Lloyd			
APL	New World Alliance		
MOL			
Hyundai			
Cosco	CKYH Alliance	CKYH Alliance	The Alliance
China Cosco Shipping			
K Line			
Yang Ming			
Ocean Network Express*			
~~Hanjin~~			
Evergreen	Independent		
Hamburg Sud			
Total: 17 (10 after further consolidations)	5	4	3

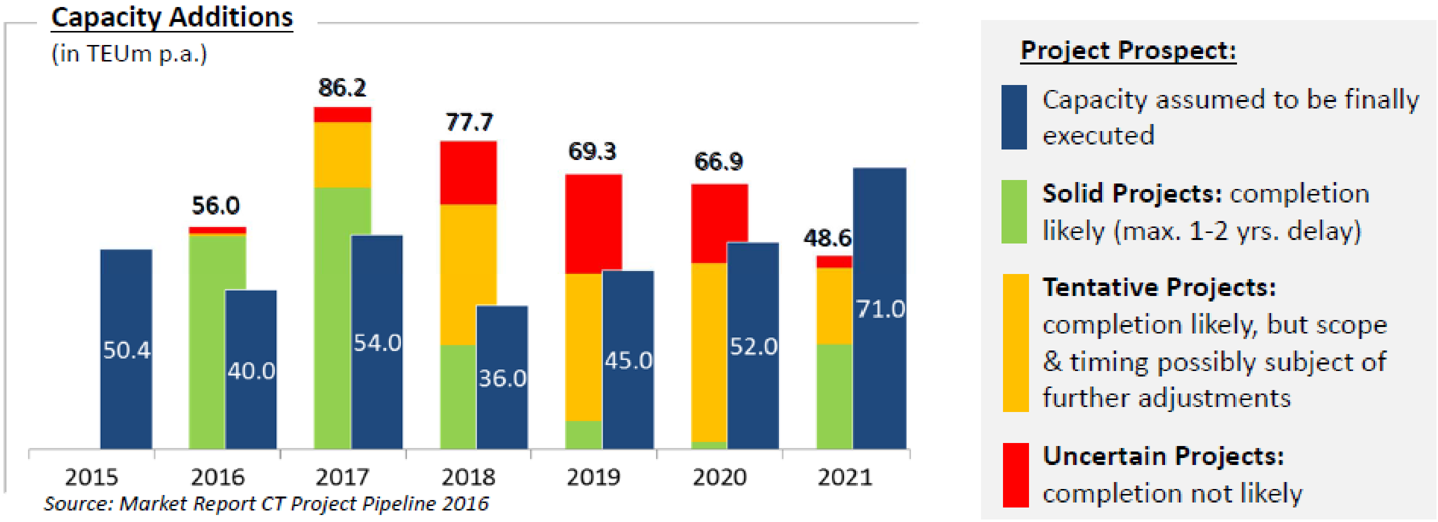
Sources: Drewry, Alphaliner, Cargotec

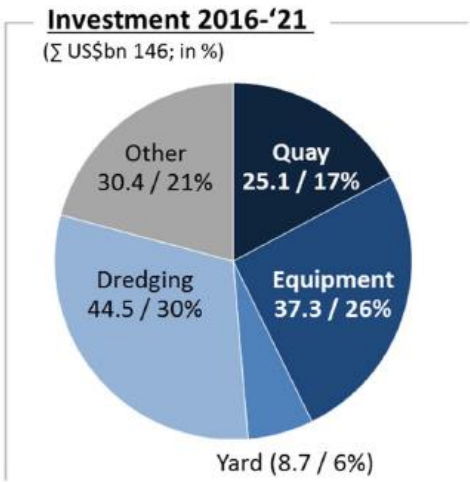
*The arrows indicate changes, confirmed or planned, through M&A or JV over the last 18 months. Hanjin bankrupt. Hyundai isn't currently officially part of any alliance, but formed a cooperative relationship with 2M. Ocean Network Express (ONE) scheduled to launch April 2018,
Analyses excludes Zim, PIL and Wan Hai

DS Research: 298 Mteu new capacity to be added 2016-2021 which could trigger US$bn 37 investments for container handling equipment

According to DS Research, the project pipeline of all upcoming container terminal projects consists of 405 TEUm additional capacity scheduled for completion until 2021. 298 TEUm new capacity is expected to be finally executed until 2021, assuming that further project postponements are required to adjust to the weakening demand. This would trigger roughly US$bn 146 investment.

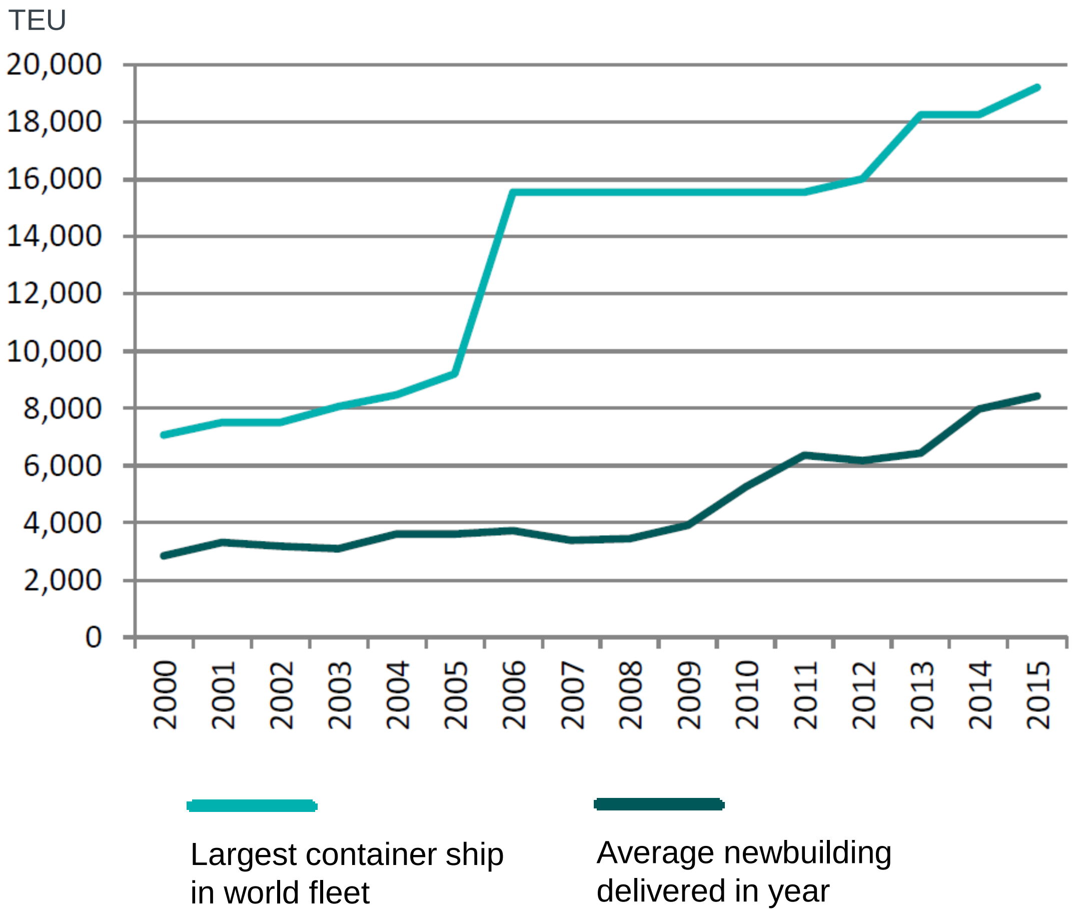
Depending on the type of project, different cost have been assumed for quay construction, container handling equipment, yard construction, dredging & land reclamation and other cost. Overall, DS Research has estimated that investments for container terminal projects 2016-’21 include about US$bn 37 for container handling equipment.





Ship sizes increasing dramatically

- The largest containership in the fleet has nearly tripled since 2000
- The average size of new builds doubles between 2009 and 2014



Source: Drewry November 2015

Kalmar has strong position in attractive segments

	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 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

Target:

→ **10%**

operating profit margin (EBIT) over the cycle

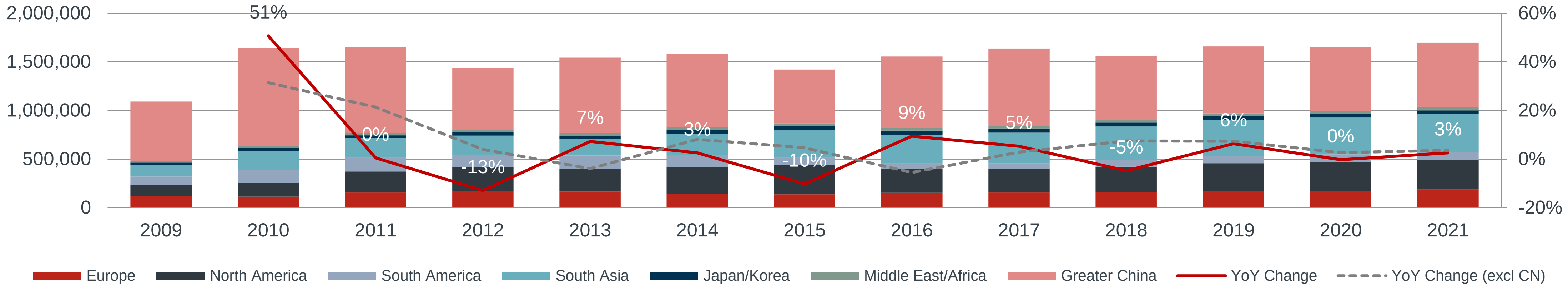
CARGOTEC

Hiab appendix

Global truck volumes

IHS predicts global truck volumes to increase in 2017, driven by China and South Asia, Outlook on Europe has been upgraded significantly compared to previous forecasts

Truck registrations, GVW >15t



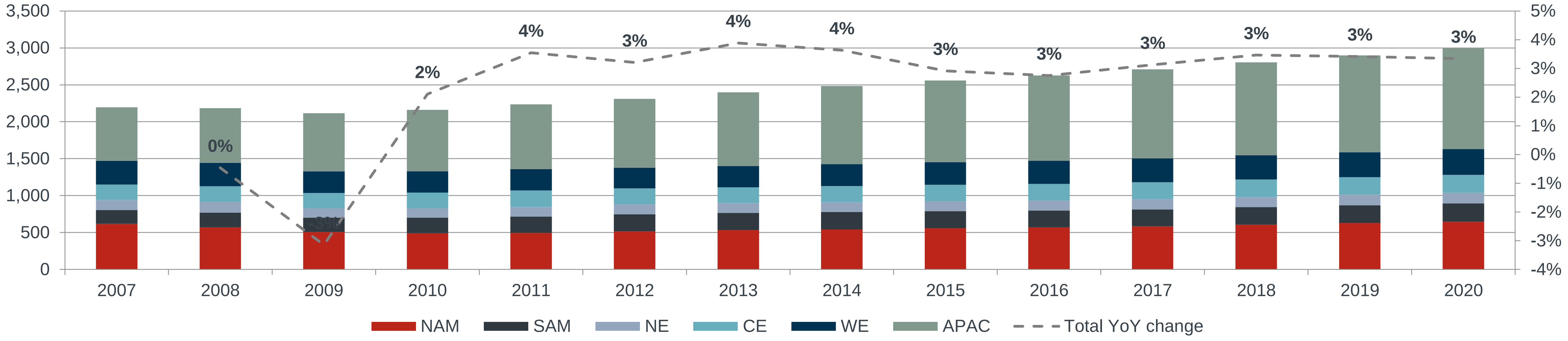
Changes vs last Forecast	2 017	2 018	2 019	2 020	2 021
Europe	5,1%	1,8%	0,5%	0,5%	1,1%
North America	1,9%	0,7%	1,2%	1,4%	2,0%
South America	-0,3%	-1,5%	1,2%	-1,5%	-0,2%
South Asia	-4,8%	-3,6%	-1,4%	-1,2%	-1,4%
Japan/Korea	3,9%	3,3%	3,3%	3,4%	3,1%
Middle East/Africa	1,1%	0,0%	0,2%	0,2%	0,6%
Greater China	0,3%	0,3%	0,3%	0,3%	0,3%
Total	0,0%	-0,4%	0,2%	0,2%	0,3%

YoY changes (vs. prev. year)	2 016	2 017	2 018	2 019	2 020	2 021
Europe	10,5%	1,3%	2,2%	7,8%	2,4%	7,7%
North America	-19,6%	-0,8%	9,6%	8,5%	2,4%	2,2%
South America	-20,9%	4,9%	12,3%	12,5%	4,4%	7,9%
South Asia	4,5%	7,3%	9,3%	6,7%	3,0%	2,5%
Japan/Korea	1,8%	-3,4%	-4,0%	-2,8%	-3,9%	-2,6%
Middle East/Africa	-4,5%	1,8%	4,6%	2,8%	6,3%	3,5%
Greater China	32,8%	8,0%	-17,8%	5,0%	-4,4%	1,1%
Total	9,4%	5,3%	-4,8%	6,3%	-0,3%	2,6%

Source: IHS Truck registration (Jun 2017 compared to Feb 2017)

Construction output forecast

Annual Construction Output



Changes vs last Forecast						YoY changes						
	2016	2017	2018	2019	2020		2015	2016	2017	2018	2019	2020
NAM	-0,3%	-2,3%	-4,4%	-5,9%	-6,6%	**NAM**	3,1%	2,3%	2,4%	3,9%	3,5%	2,9%
SAM	-1,8%	-2,6%	-2,4%	-2,6%	-2,7%	**SAM**	-1,4%	-2,0%	0,5%	2,6%	2,6%	2,9%
NE	3,3%	4,8%	4,8%	4,8%	4,7%	**NE**	1,0%	-0,4%	2,7%	1,5%	1,5%	1,6%
CE	0,5%	1,3%	1,4%	1,5%	1,4%	**CE**	1,6%	1,1%	2,4%	2,1%	1,6%	1,4%
WE	0,2%	0,6%	0,7%	0,7%	0,6%	**WE**	2,2%	3,1%	2,0%	2,3%	2,6%	3,0%
APAC	-0,3%	0,0%	0,0%	0,1%	0,1%	**APAC**	4,5%	4,6%	4,5%	4,2%	4,3%	4,2%
Total	-0,1%	-0,3%	-0,8%	-1,1%	-1,3%	**Total**	2,9%	2,8%	3,1%	3,5%	3,4%	3,3%

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Source: Oxford construction output (All Output series are measured in Billions, 2010 Prices),
Forecast Jun 2017 compared to Mar 2017

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 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

Target:

→ 10%

operating profit margin (EBIT) over the cycle

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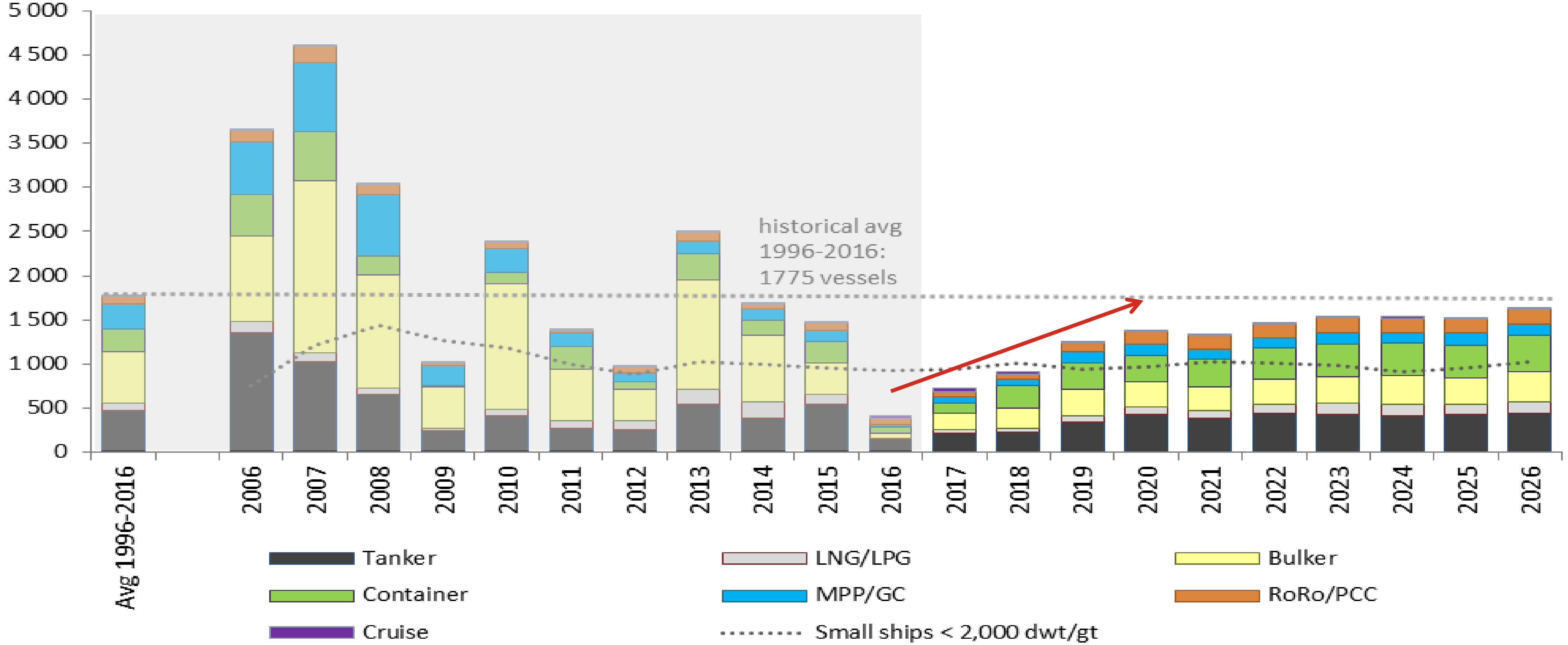
MacGregor appendix

Merchant ships: Contracting forecast by shiptype (number of ships)

Merchant ship types > 2000 gt, base case

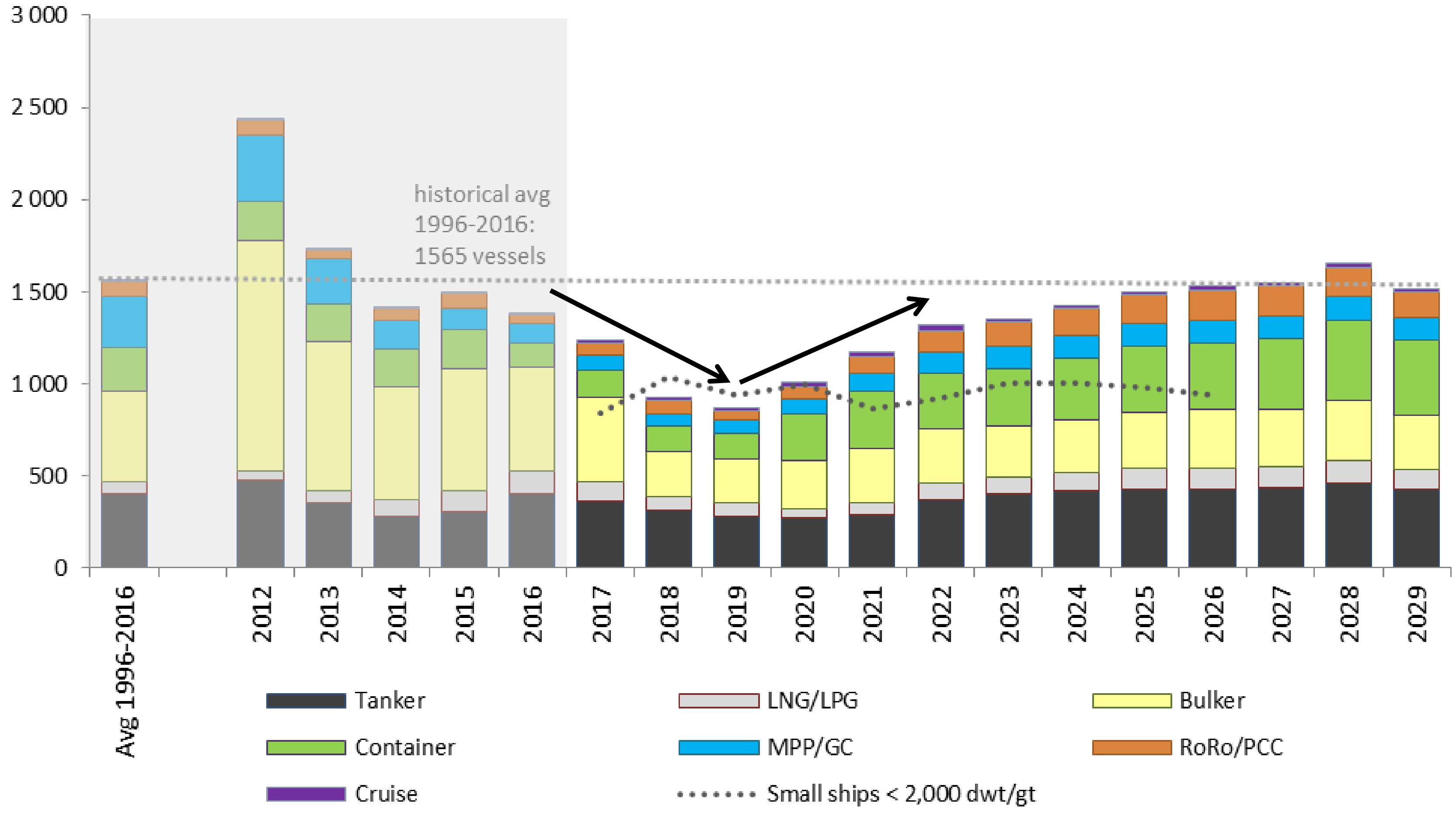


Source: Clarksons March 2017

Merchant ships: Deliveries forecast by shiptype (number of ships)

Merchant ship types > 2000 gt, base case

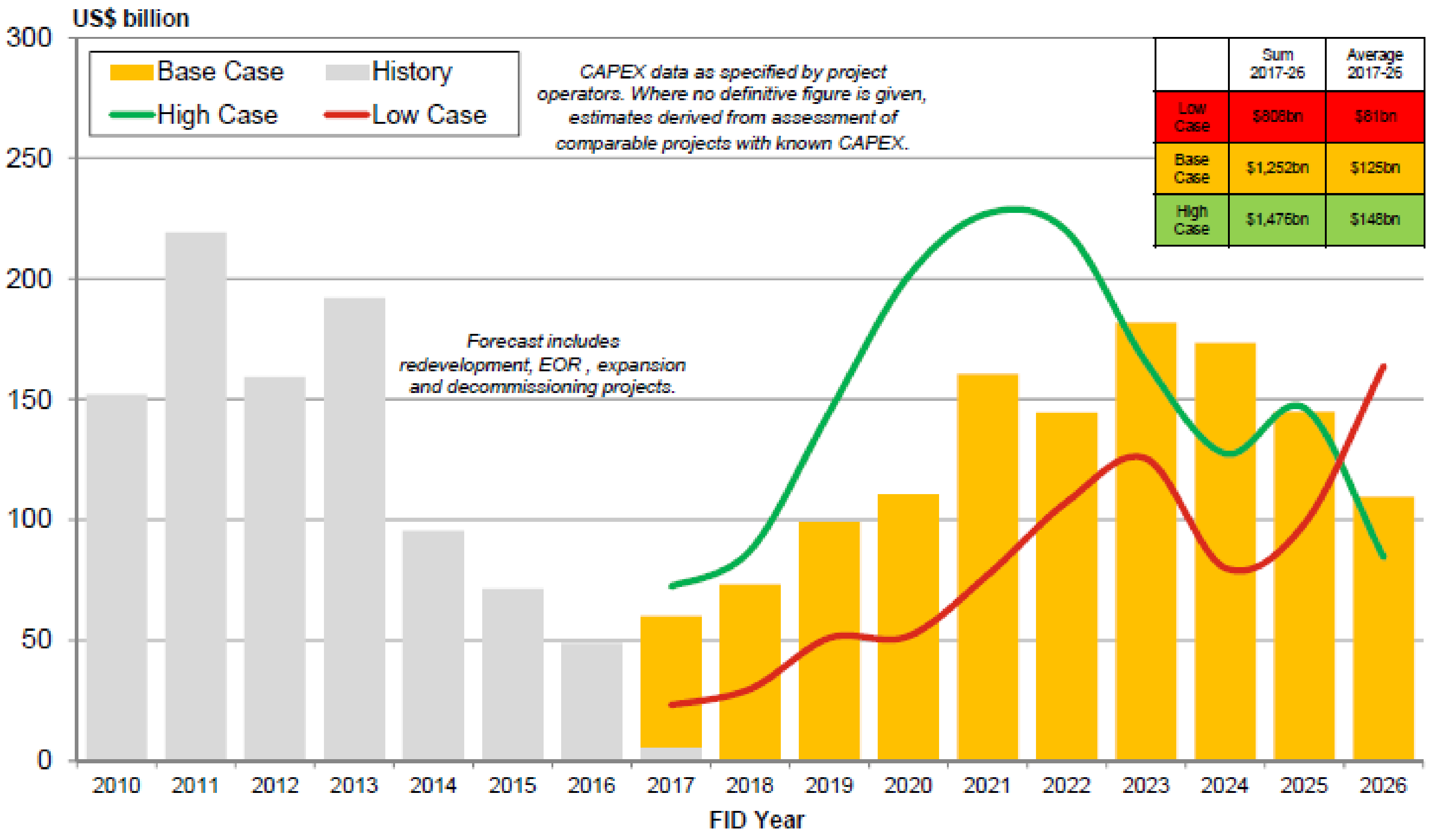
Deliveries 2017 and onwards decrease due to the extremely low contracting levels 2015-2016, and will remain at historically lower levels due to the continued lower contracting in no of ships.



Source: Clarksons March 2017

Offshore CAPEX: history and forecasts

In the base case forecasting scenario, offshore CAPEX is projected to gradually recover from 2018 onwards, reaching pre-downturn levels in 2021 and staying relatively stable thereafter at around $120-150bn per annum.

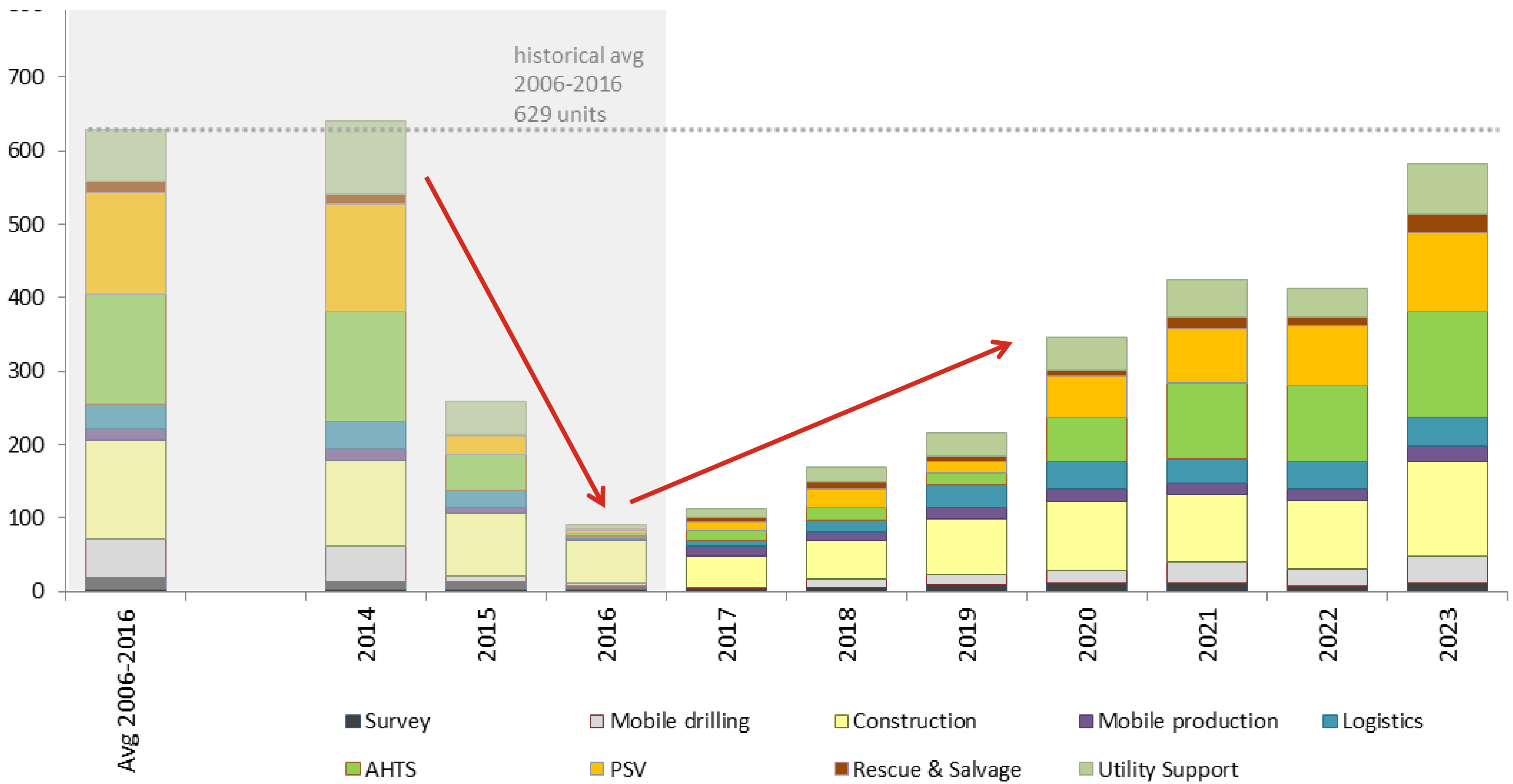


	Sum 2017-26	Average 2017-26
Low Case	$808bn	$81bn
Base Case	$1,252bn	$125bn
High Case	$1,476bn	$148bn

Source: Clarksons March 2017

Offshore mobile units: Contracting forecast by shiptype (number of units)

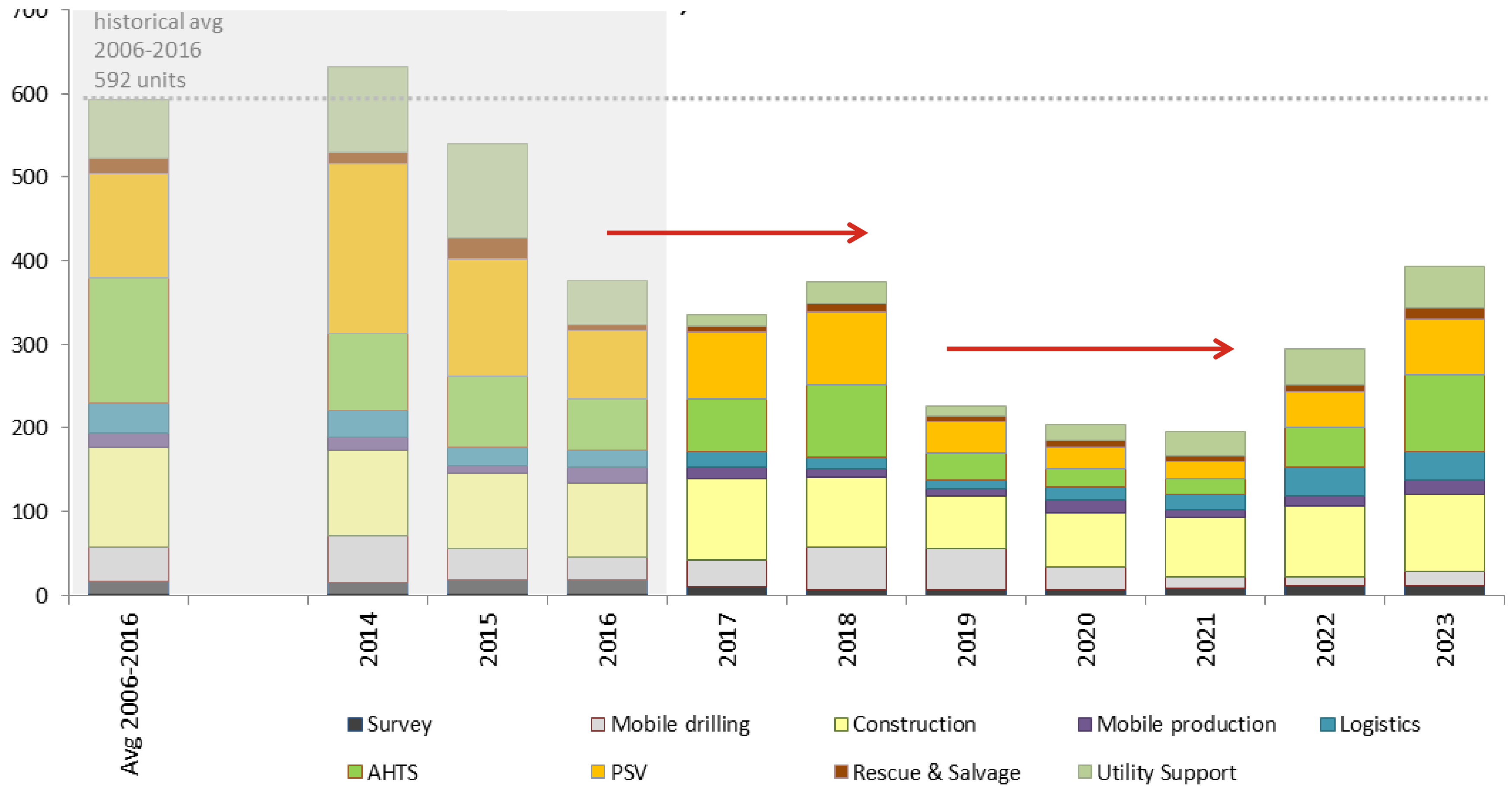
Offshore mobile units, base case (USD 60/bbl 2021)



Source: Clarksons March 2017

Offshore mobile units: Deliveries Forecast by Shiptype (number of units)

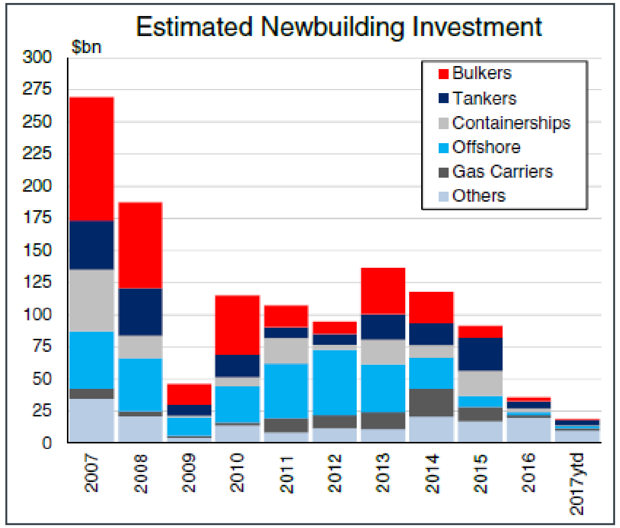
Offshore mobile units, base case (USD 60/bbl 2021)



Source: Clarksons March 2017

Shipbuilding – Contracting (ships >2000 gt/dwt)

Global Contracting Activity (1st June 2017)	No.				$bn				m. CGT			
	2015	2016	2017ytd	%y-o-y*	2015	2016	2017ytd	%y-o-y*	2015	2016	2017ytd	%y-o-y*
TOTAL (>2,000 Dwt/GT**)	**1,693**	**531**	**238**	***8%***	**91.6**	**35.8**	**18.9**	***26%***	**40.1**	**12.4**	**6.6**	***28%***
Vessel Type												
Bulkers	349	51	37	*74%*	9.3	3.3	0.8	*-44%*	6.2	1.9	0.7	*-7%*
Tankers	547	172	95	*33%*	26.1	5.6	4.2	*81%*	12.7	3.0	2.5	*98%*
Containerships	251	88	11	*-70%*	19.2	2.7	0.3	*-78%*	10.5	1.8	0.2	*-79%*
Gas Carriers	109	21	16	*83%*	11.2	2.1	1.9	*124%*	4.4	0.8	0.7	*110%*
Offshore	189	53	14	*-37%*	8.6	2.2	2.0	*109%*	1.7	0.6	0.3	*27%*
Others	248	146	65	*7%*	17.1	19.9	9.8	*18%*	4.5	4.3	2.2	*24%*
Builder Country												
China	584	242	101	*0%*	23.7	8.7	3.0	*-18%*	11.9	4.6	1.8	*-3%*
South Korea	295	71	57	*93%*	25.0	4.5	4.2	*125%*	10.9	2.2	2.1	*123%*
Japan	531	77	19	*-41%*	23.9	3.0	1.0	*-23%*	12.5	1.5	0.4	*-35%*
Europe	122	93	39	*1%*	13.7	18.1	9.9	*32%*	2.6	3.5	1.9	*32%*
Other	161	48	22	*10%*	5.4	1.5	0.8	*20%*	2.3	0.6	0.4	*48%*

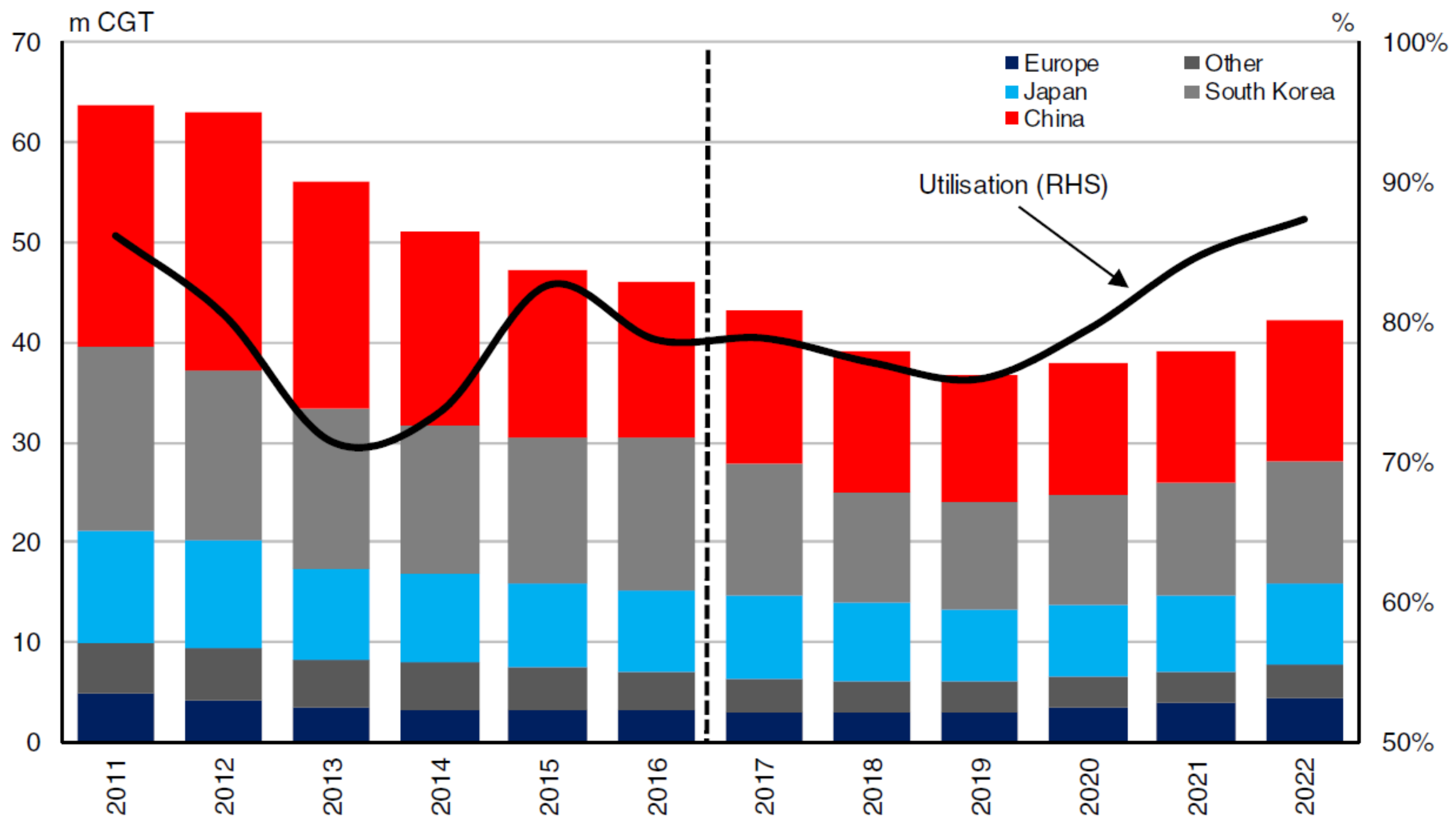


Source: Clarksons June 2017

Shipbuilding capacity and utilisation scenario

Since peak shipyard output in 2010 (in CGT terms), it is estimated that the global shipbuilding capacity has declined 30%.

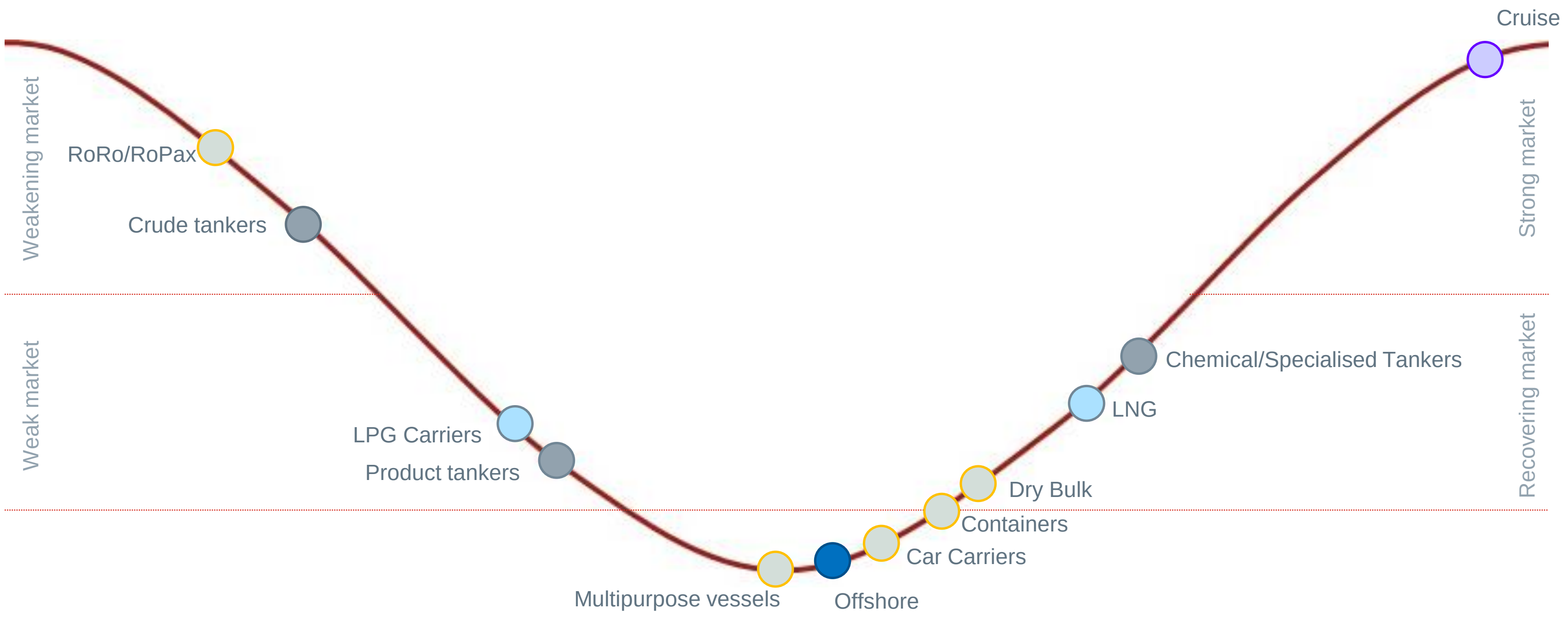
The contracting forecast suggests that there will be further pressure on yards, and the capacity is projected to decline by another 20% by end of 2019.



Source: Clarksons March 2017

Shipping cycle positions

Freight/earnings indicative cycles by ship type, timeline of each cycle not exact as they vary



Source: MacGregor and Clarksons March 2017

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