Investor presentation, March 2017

Becoming the leader in intelligent cargo handling

Content

Cargotec in brief

CARGOTEC

Today's leader in cargo handling equipment

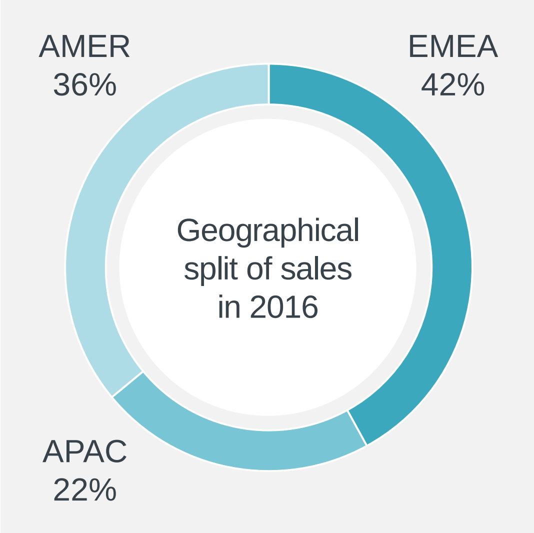
Strong global player with geographical diversification

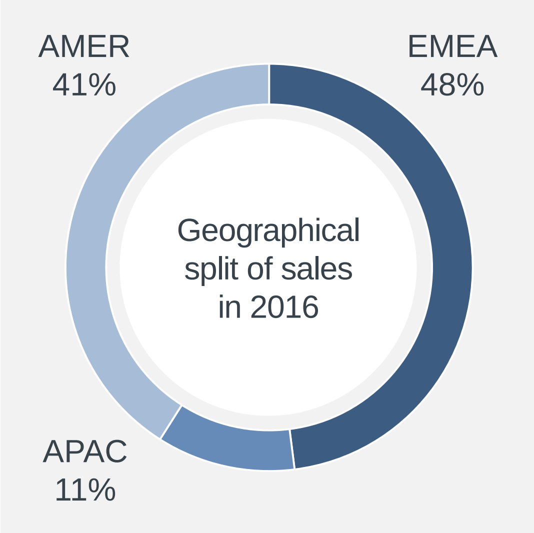
Cargotec Group
Sales: **EUR 3,514 million**
EBIT: **7.1%**
Services: **25%**

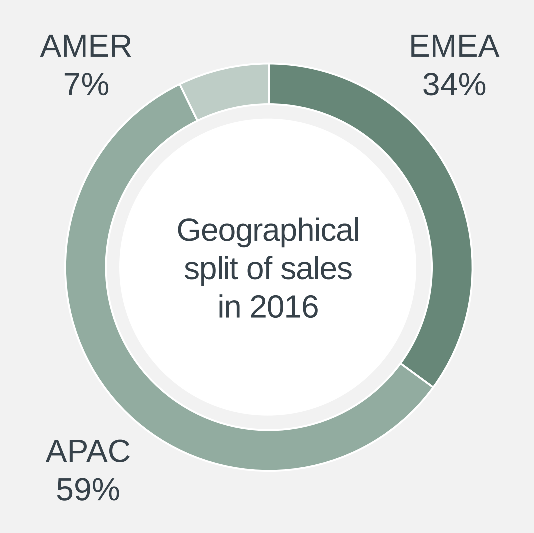
Kalmar
Sales: EUR 1,700 million
EBIT: **8.0%**
Services: **26%**

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

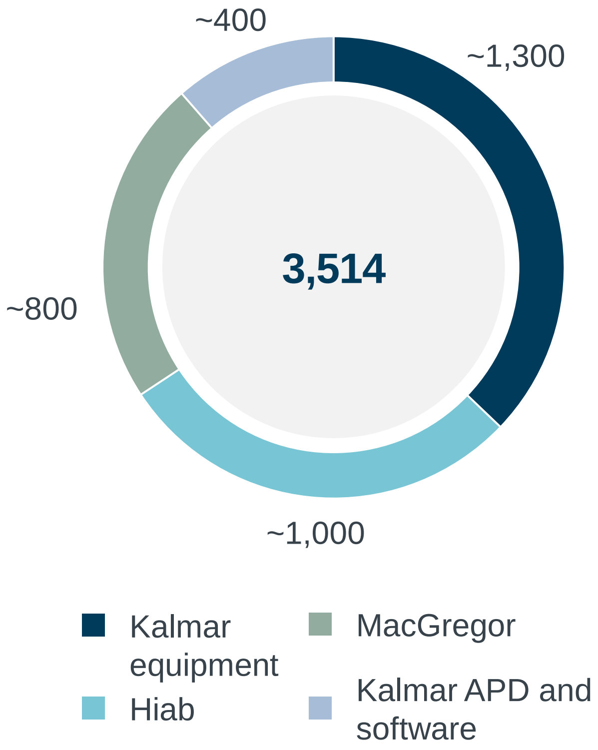
Cargotec is a leading player in all of its business areas

	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, SMS KOREA, SEC SHIP'S EQUIPMENT CENTRE GRONINGEN B.V., IHI, LIEBHERR

Cargotec's portfolio is well diversified

Net sales* in 2016

EUR million



	Trend in orders, FY 2016	Profitability: EBIT margin, FY 2016
Kalmar software (Navis) and Automation and Projects division	→	Low due to long term investments
MacGregor	-34%	**2.3%**
Hiab	+5%	**13.5%**
Kalmar equipment and service (excluding Automation and Projects Division & Navis)	→	Low double digit

* Figures rounded to closest 100 million

Investment highlights

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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

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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 patters 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

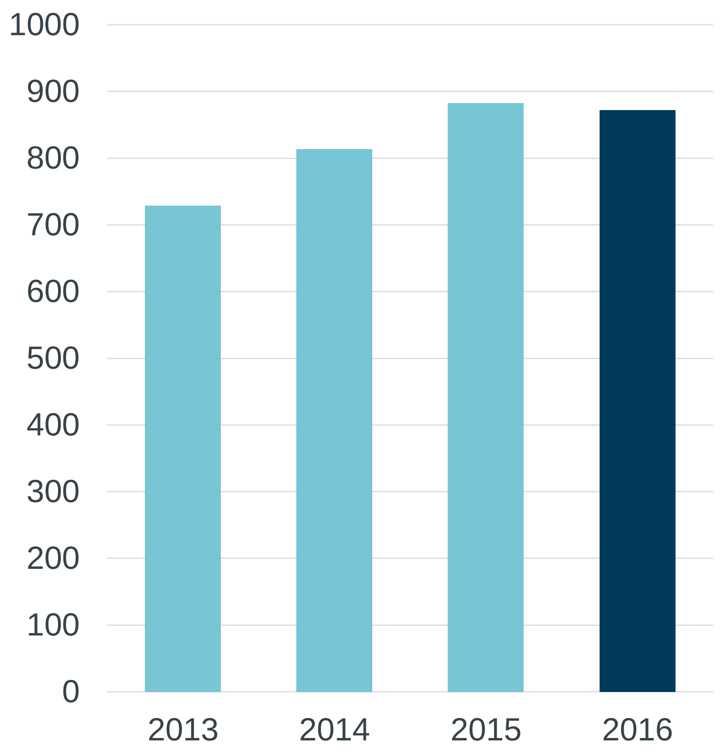
→ More efficient and optimised cargo handling solutions

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

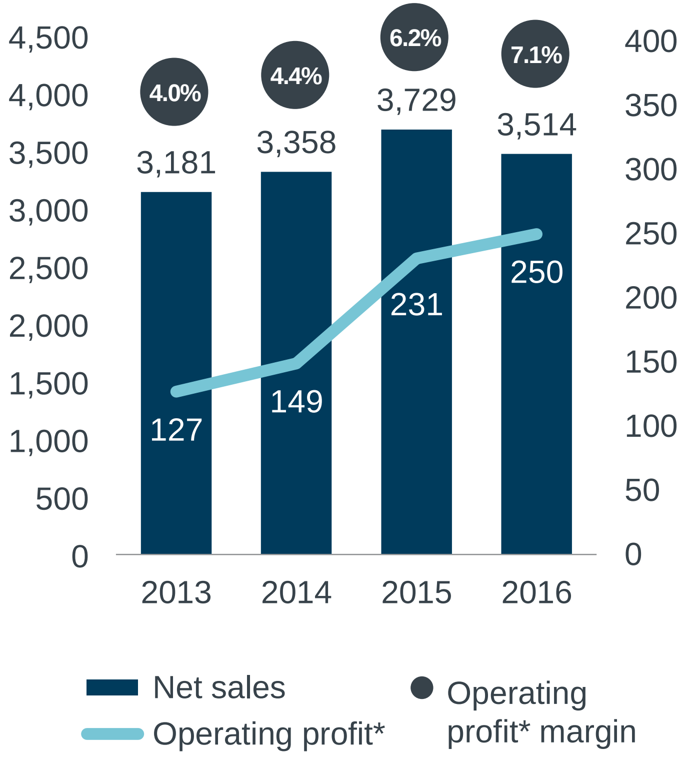
Cost savings actions:

- 2017 EUR 25 million (MacGregor)
- 2017 Interschalt EUR 2 million
- 2018 EUR 13 (Lidhult production transfer in Kalmar)

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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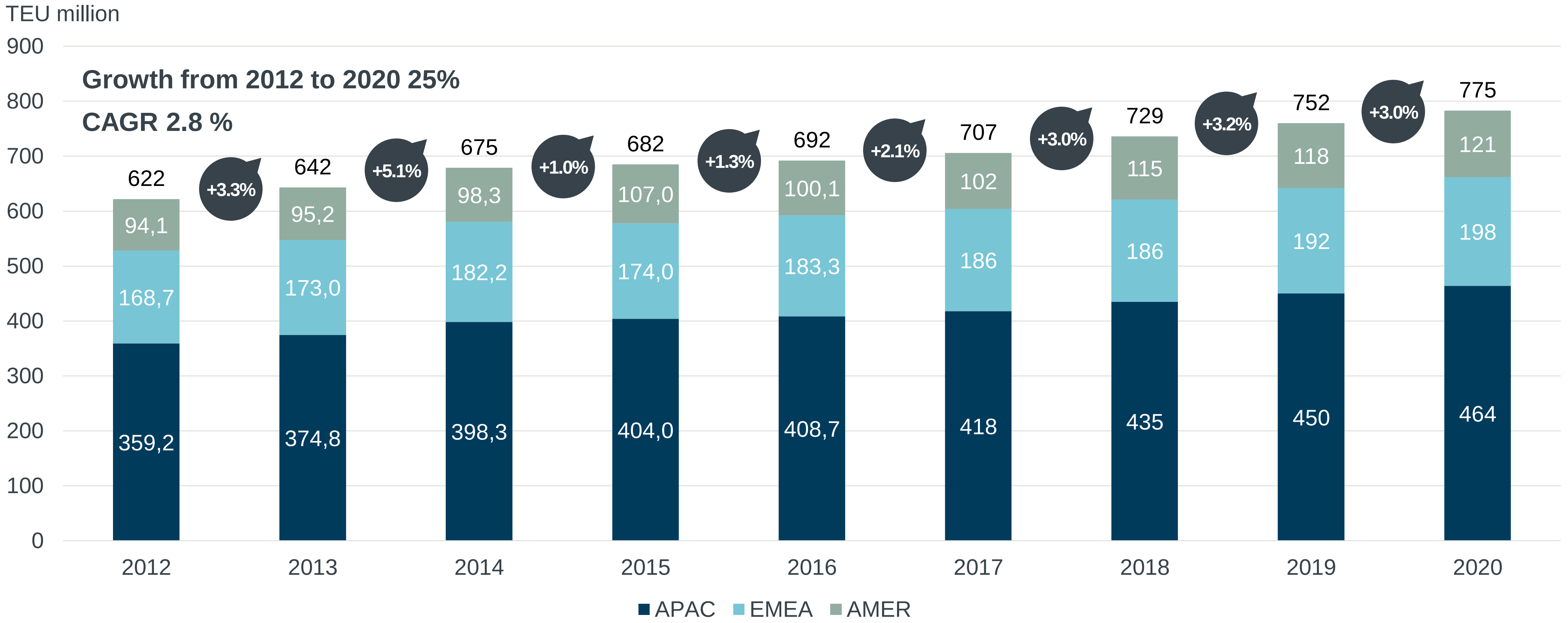
Container throughput still forecasted to grow year on year



Source: Drewry: Container forecaster Q4 2016
(Estimates for 2018-2020 from Drewry Container forecaster Q3 2016, latest update available)

Kalmar's profit improvement potential 2016-2018

	2015	2016	2017	2018

Total 60-100 EUR million improvement potential

Automation
- Project delivery capability development
- Expand Rainbow Cargotec Industries (China) joint venture offering
- Further development of integrated port automation solutions

+20-30 EUR million

Software
- Expand software business

+10-20 EUR million

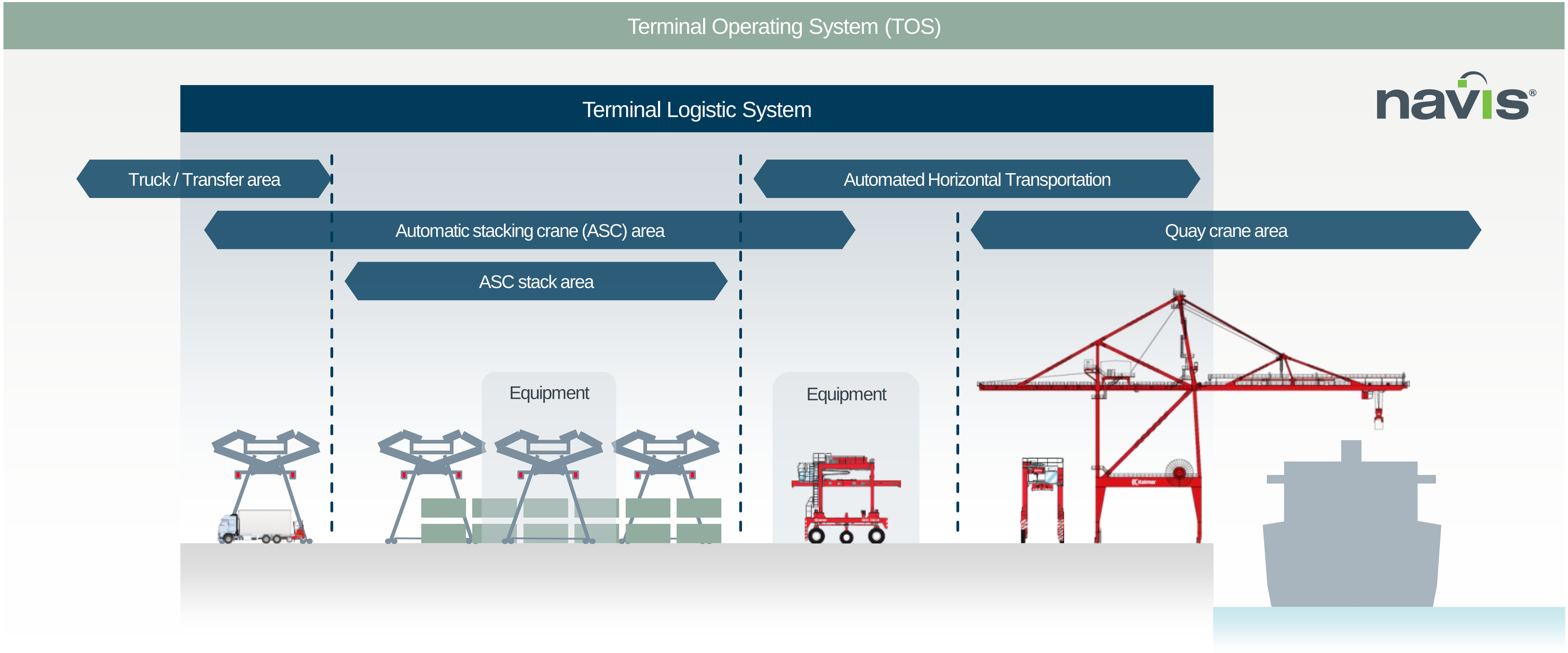
Mobile equipment
- Continuous improvements in design-to-cost and sourcing
- Strengthen distribution network

+20-30 EUR million

Services
- Excel in spare parts

+10-20 EUR million

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

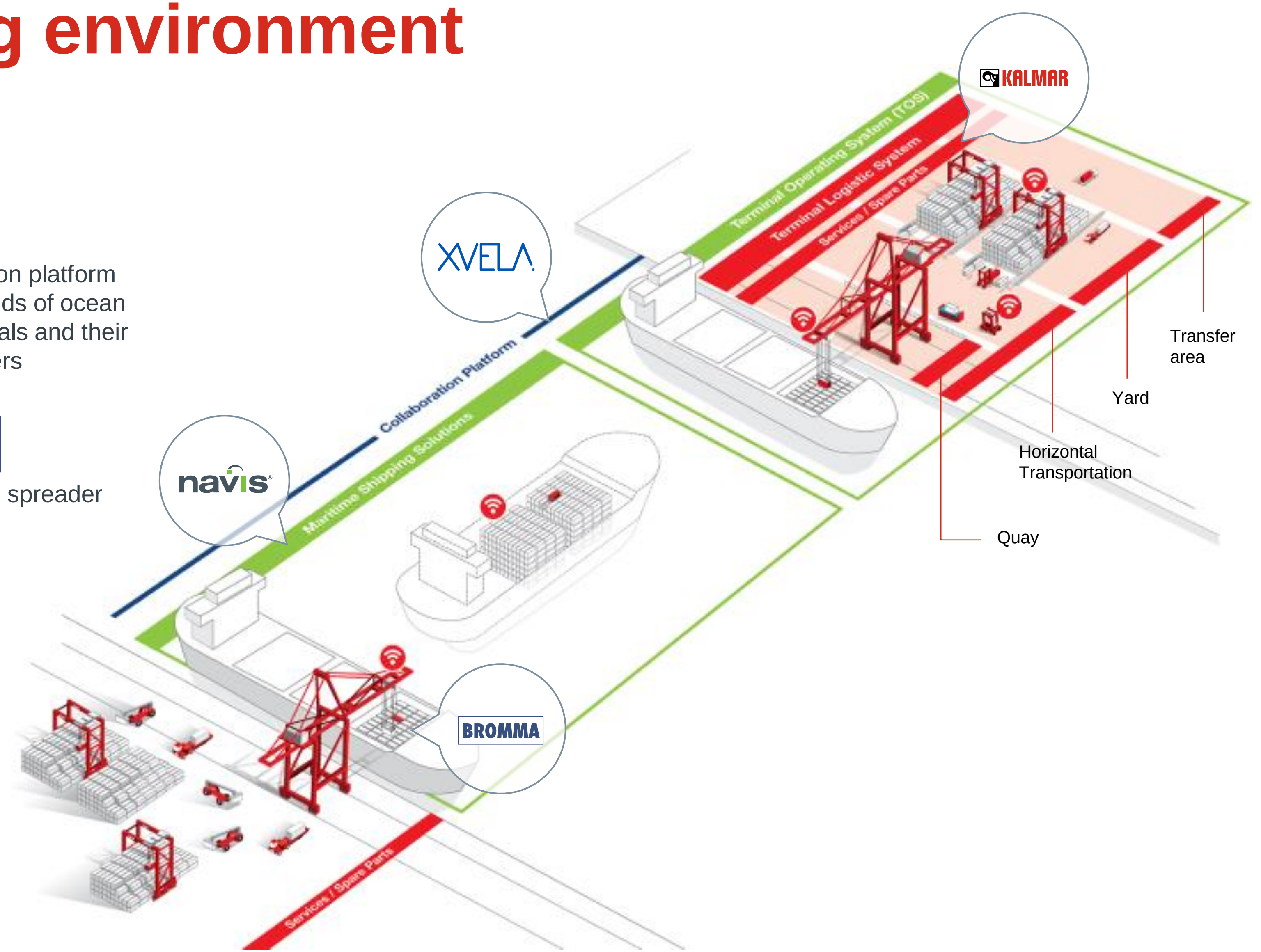
TOS coordinates and optimises the planning and management of container and equipment moves in complex business environments.

Navis provides also maritime shipping solutions:

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

BROMMA

Industry leading spreader manufacturer

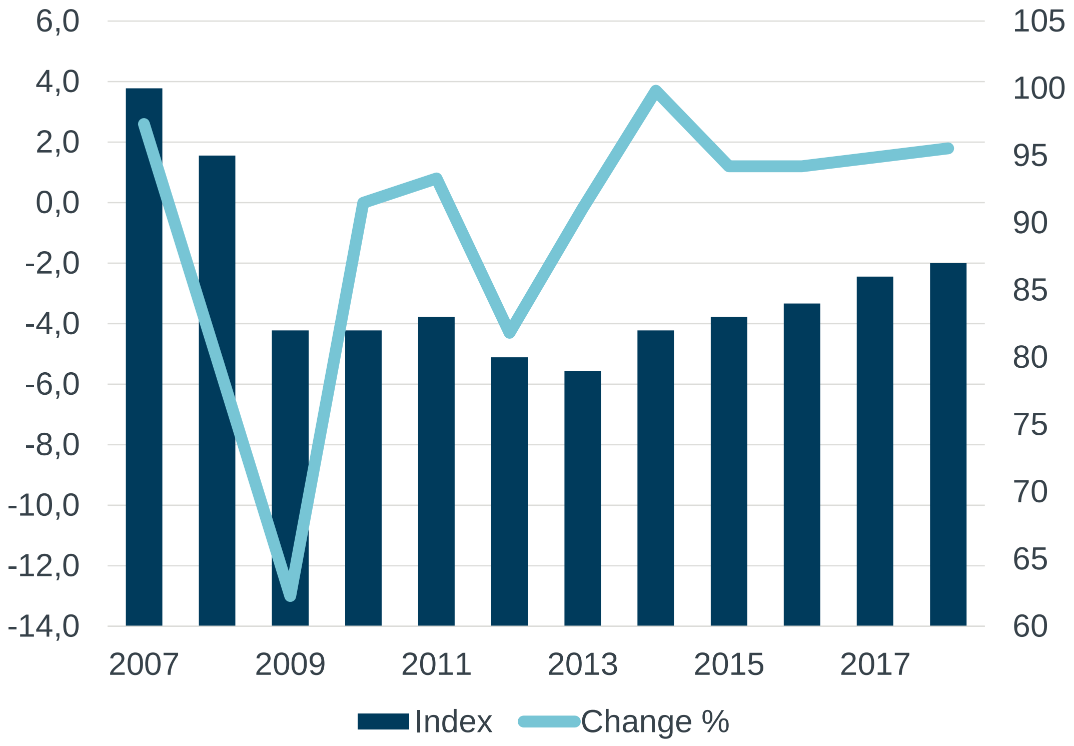


Hiab

Construction output driving growth opportunity

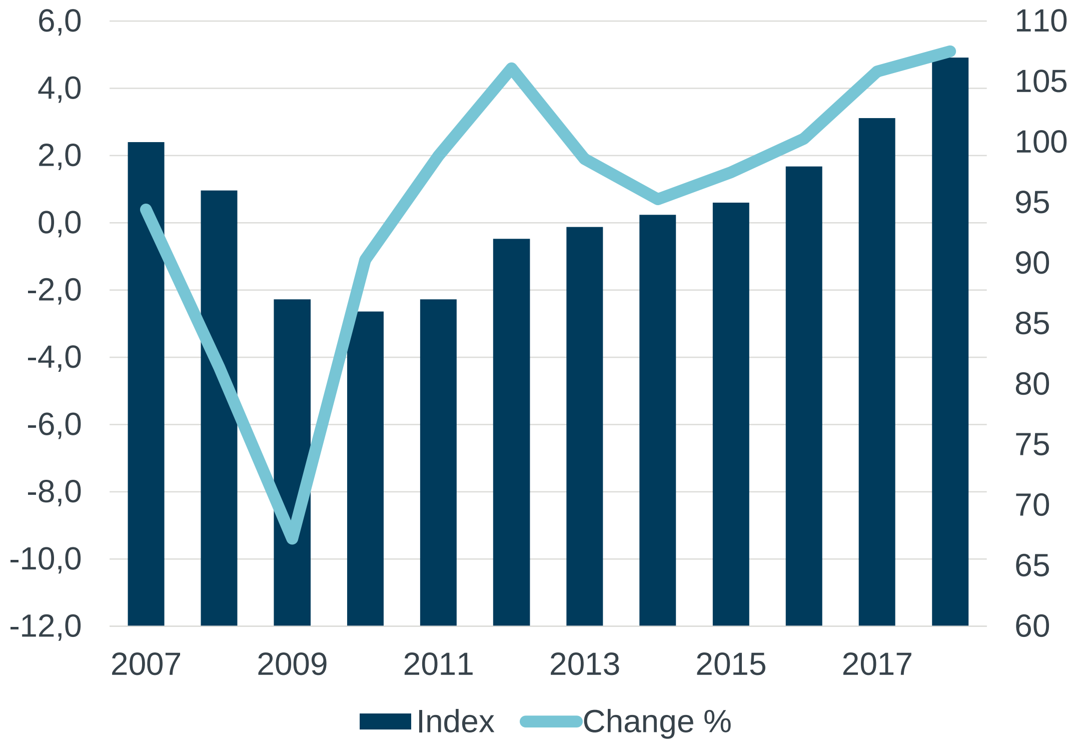
EMEA construction output

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**

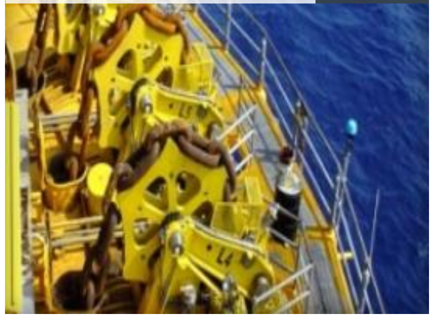
Offshore

~1/4 of sales

Offshore advanced load handling **#1**

Offshore winches **#2**

Mooring systems **#1**

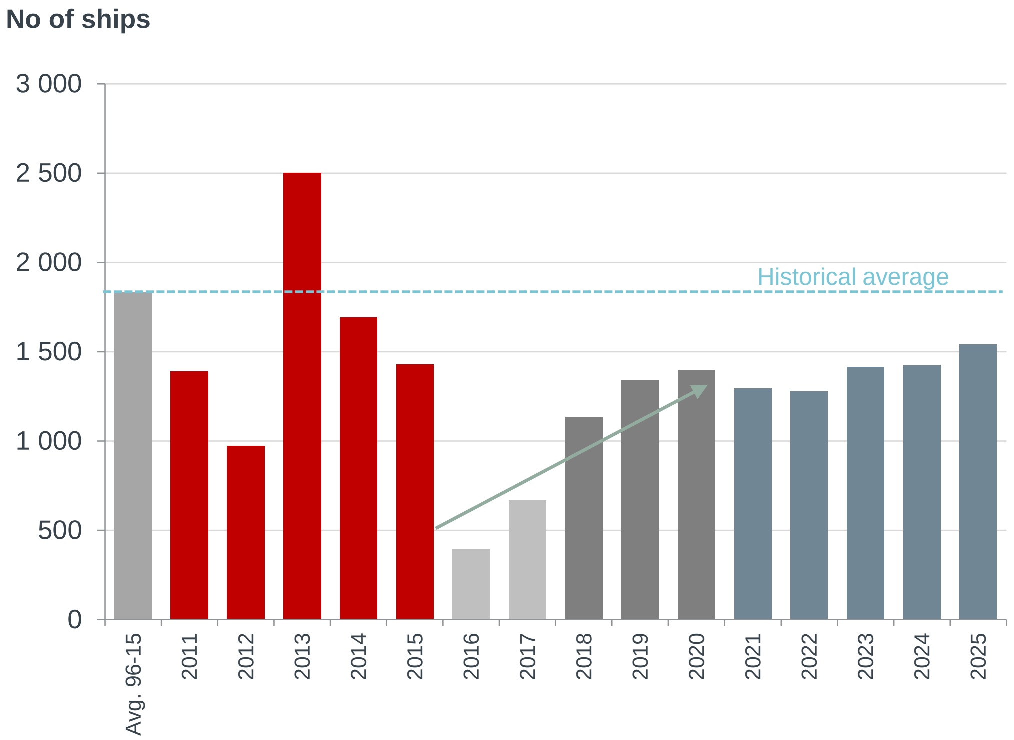


Loading and offloading systems **#1**

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

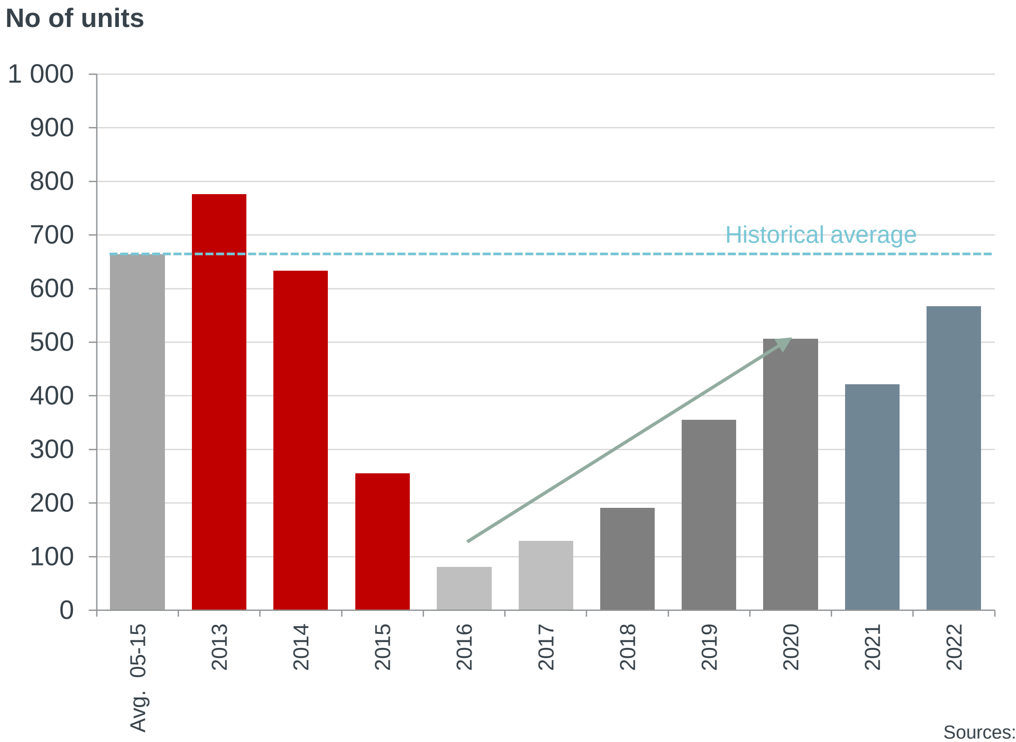
Long term contracting 2011-2025

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



Long term contracting 2013-2022

Mobile offshore units



Sources: UNCTAD
Clarkson research, January 2016
Clarkson research, Sep 2016 (2017-2025)

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 financial statements review 2016

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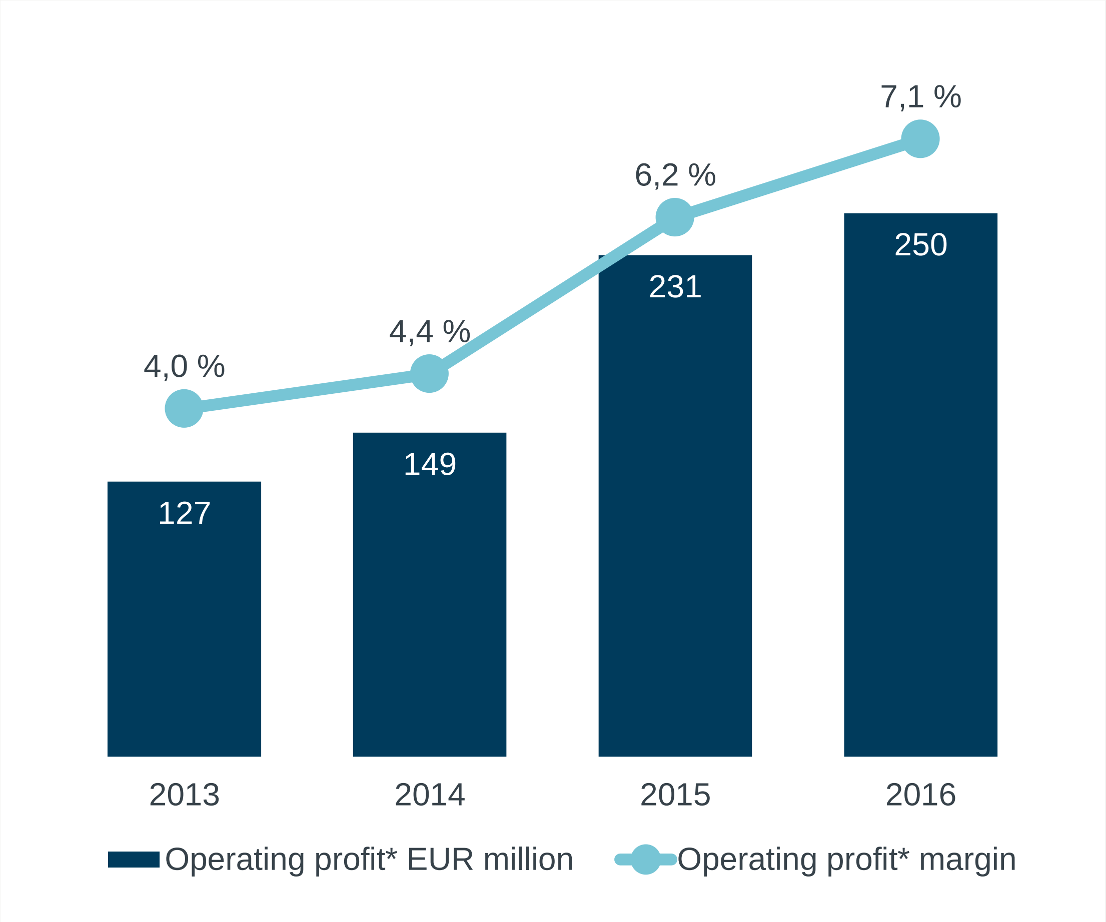
Highlights of 2016 – Highest operating profit* in Cargotec's history

Profitability continued to improve

- Record high operating profit excl. restructuring costs and margin continued to increase
  - Investments into the strategy: R&D costs have increased 43% compared to 2013
- Sales and profitability increased in Kalmar and Hiab
- MacGregor affected by difficult market situation, new actions to safeguard profitability started in Q4

Services sales 25% of total sales at EUR 872 (883) million

Strong cash flow from operations EUR 373 (315) million



*) Excluding restructuring costs

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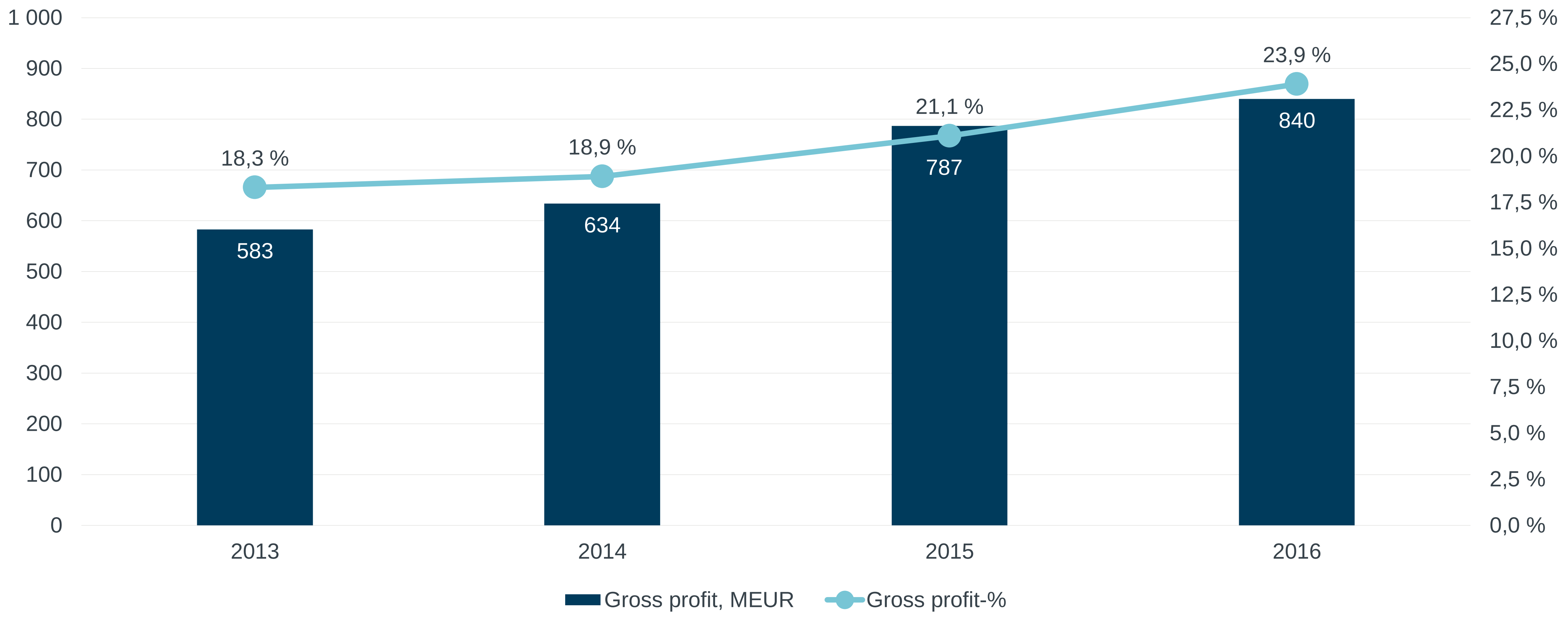
Gross profit improvement driven by new products



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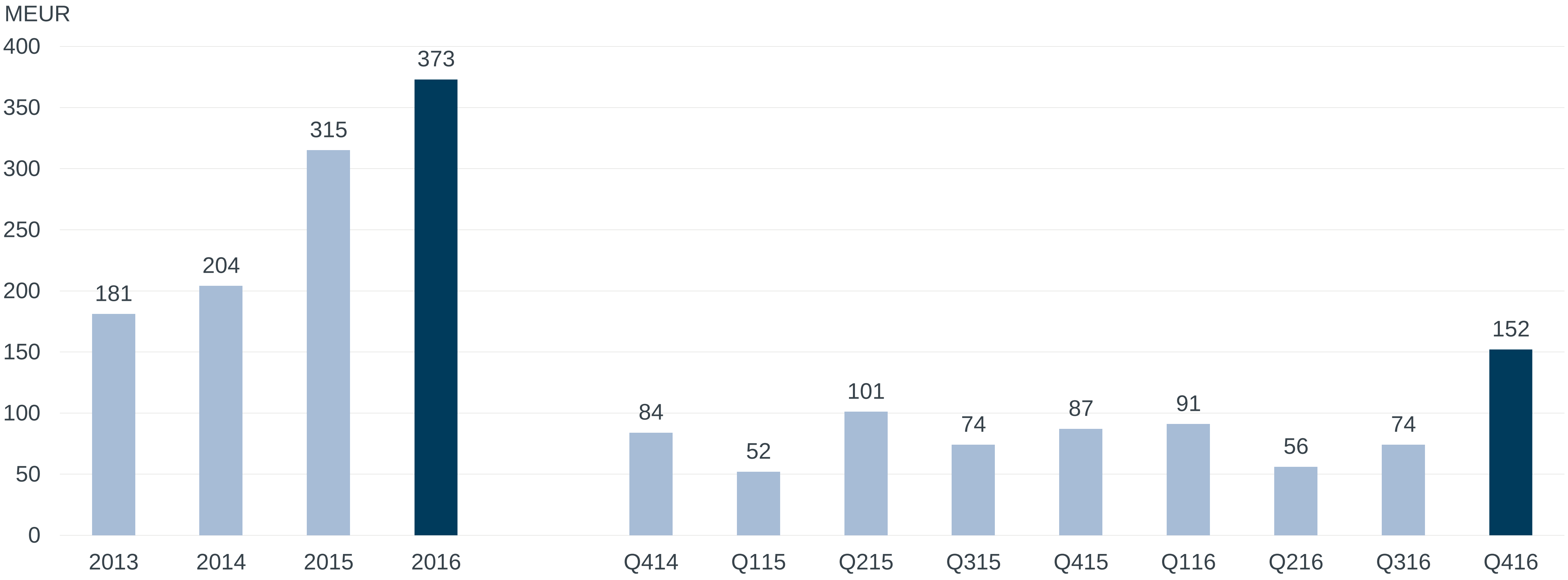
Key figures

Operating profit margin continued to improve

	10–12/16	10–12/15	Change	1–12/16	1–12/15	Change
Orders received, MEUR	**822**	824	-0.3%	**3,283**	3,557	-7.7%
Order book, MEUR	**1,783**	2,064	-13.6%	**1,783**	2,064	-13.6 %
Sales, MEUR	**933**	977	-4.5%	**3,514**	3,729	-5.8 %
Operating profit, MEUR*	**61.0**	52.1	+16.9%	**250.2**	230.7	+8.4 %
Operating profit, %*	**6.5**	5.3		**7.1**	6.2	
Cash flow from operations, MEUR	**152.0**	87.3		**373.0**	314.6	
Interest-bearing net debt, MEUR	**503**	622		**503**	622	
Earnings per share, EUR	**0.20**	0.55		**1.95**	2.21	

*) Excluding restructuring costs

Cash flow from operations strong



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Key strategic focus areas in 2017

Service, leadership and digitalisation continue to be focus areas in all business areas

KALMAR

- Service growth
- Win in automation through proven solutions
- Grow in software trough new offering
- Transfer of assembly operations from Sweden to Poland

HIAB

- Service growth
- Expand positions in core and emerging markets as well as product segments
- Continue renewing equipment offering
- Expanding digitalised business solutions
- Operational efficiency

MACGREGOR

- Service growth
- Continue focus on operational efficiency
- Enhance customer centricity
- Continue investments in digitalisation

2017 outlook

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

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Appendix

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

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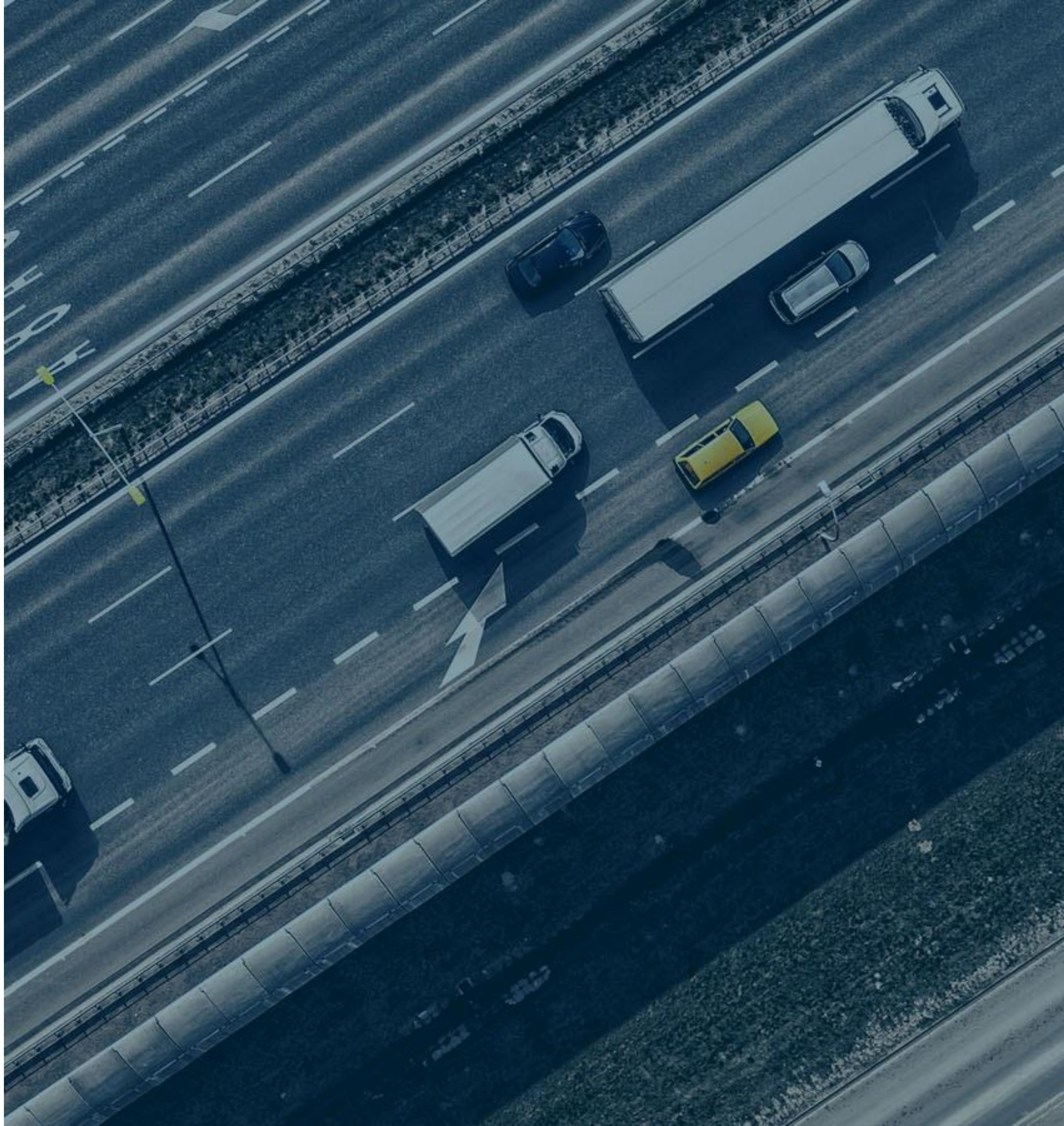
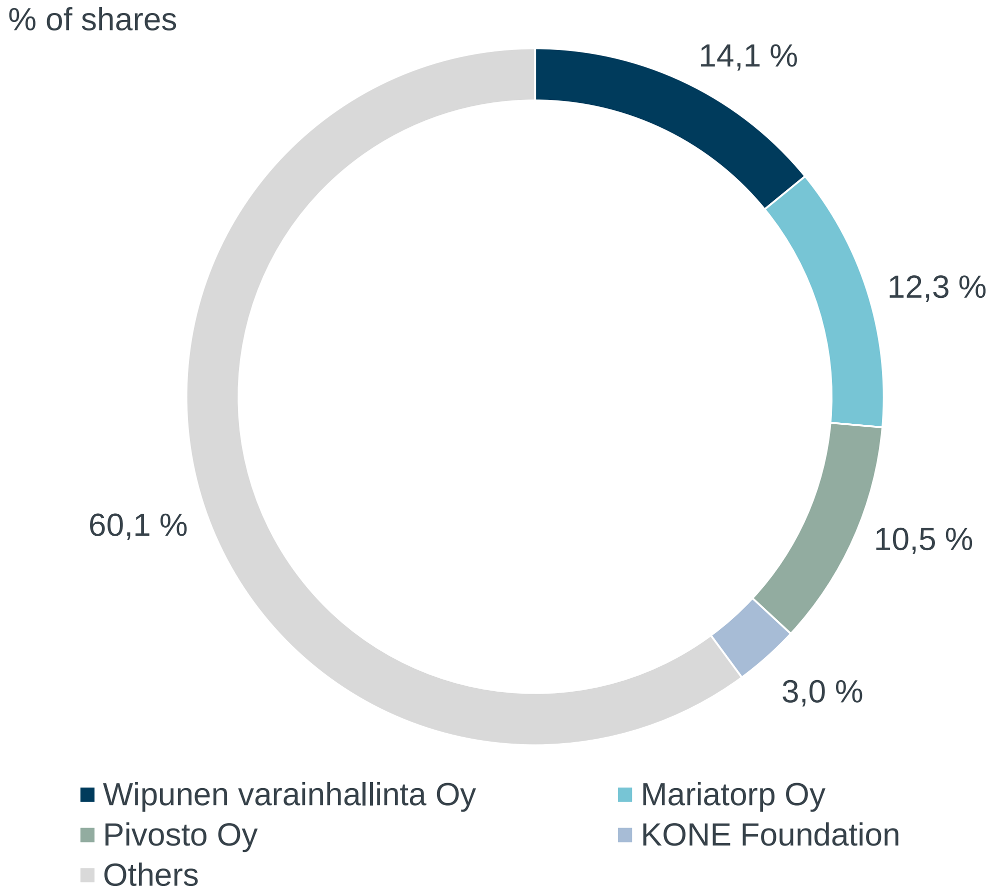


Largest shareholders 28 February 2017

		% 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.	The State Pension Fund	1.6	0.7
6.	Ilmarinen Mutual Pension Insurance Company	1.5	0.7
7.	Varma Mutual Pension Insurance Company	0.8	0.3
8.	Keva	0.7	0.3
9.	Nordea Finland Fund	0.6	0.3
10.	Herlin Heikki Juho Kustaa	0.6	0.3
Nominee registered and non-Finnish holders		**27.5**	
Total number of shareholders		**21,404**	



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.

Income statement

MEUR	Note	1 Jan–31 Dec 2016	%	1 Jan–31 Dec 2015	%
Sales	4, 6	**3,513.7**		**3,729.3**	
Cost of goods sold		-2,674.0		-2,942.0	
Gross profit		**839.7**	**23.9**	**787.3**	**21.1**
Other operating income	7	38.1		40.4	
Selling and marketing expenses		-221.1		-210.4	
Research and development expenses		-94.1		-85.2	
Administration expenses		-277.0		-264.3	
Restructuring costs	8	-52.5		-17.7	
Other operating expenses	7	-37.8		-39.8	
Share of associated companies' and joint ventures' net income	17	2.5		2.8	
Operating profit	4, 7, 8, 9, 10	**197.7**	**5.6**	**213.1**	**5.7**
Financing income	11	1.8		2.2	
Financing expenses	11	-30.5		-29.1	
Income before taxes		**169.1**	**4.8**	**186.2**	**5.0**
Income taxes	12	-43.8		-43.3	
Net income for the period		**125.3**	**3.6**	**142.9**	**3.8**
Net income for the period attributable to:					
Equity holders of the parent		126.0		143.0	
Non-controlling interest		-0.7		-0.1	
Total		**125.3**		**142.9**	
Earnings per share for profit attributable to the equity holders of the parent:	13				
Basic earnings per share, EUR		1.95		2.21	
Diluted earnings per share, EUR		1.94		2.21	

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Balance sheet

MEUR	Note	31 Dec 2016	31 Dec 2015
ASSETS			
Non-current assets			
Goodwill	14	1,024.5	976.4
Other intangible assets	15	290.2	272.4
Property, plant and equipment	16	308.6	306.0
Investments in associated companies and joint ventures	17	123.4	116.7
Available-for-sale investments	18, 21	3.8	3.8
Loans receivable and other interest-bearing assets *	21	3.0	2.0
Deferred tax assets	19	185.0	183.5
Derivative assets	21, 30	16.9	35.3
Other non-interest-bearing assets	21, 22	7.9	5.7
Total non-current assets		**1,963.4**	**1,901.8**
Current assets			
Inventories	20	647.0	655.4
Loans receivable and other interest-bearing assets *	21	1.9	2.6
Income tax receivables		26.1	20.0
Derivative assets	21, 30	45.8	36.7
Accounts receivable and other non-interest-bearing assets	21, 22	778.9	778.4
Cash and cash equivalents *	21, 23	273.2	175.8
Total current assets		**1,773.0**	**1,668.9**
Total assets		**3,736.3**	**3,570.7**

* Included in interest-bearing net debt.

MEUR	Note	31 Dec 2016	31 Dec 2015
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent			
Share capital		64.3	64.3
Share premium account		98.0	98.0
Translation differences		37.3	47.7
Fair value reserves		-24.7	-26.7
Reserve for invested non-restricted equity		69.0	76.1
Retained earnings		1,151.1	1,079.9
Total equity attributable to the equity holders of the parent	24, 25	**1,395.0**	**1,339.3**
Non-controlling interest		2.2	2.4
Total equity		**1,397.2**	**1,341.8**
Non-current liabilities			
Interest-bearing liabilities *	21, 26, 32	656.8	768.1
Deferred tax liabilities	19	73.1	72.1
Pension obligations	27	81.4	71.3
Provisions	28	37.6	22.9
Other non-interest-bearing liabilities	21, 29	49.4	42.3
Total non-current liabilities		**898.2**	**976.7**
Current liabilities			
Current portion of interest-bearing liabilities *	21, 26, 32	119.4	5.9
Other interest-bearing liabilities *	21, 26	45.8	62.8
Provisions	28	112.8	75.9
Advances received		160.6	197.2
Income tax payables		32.0	24.3
Derivative liabilities	21, 30	34.1	14.2
Accounts payable and other non-interest-bearing liabilities	21, 29	936.2	872.1
Total current liabilities		**1,440.8**	**1,252.3**
Total equity and liabilities		**3,736.3**	**3,570.7**

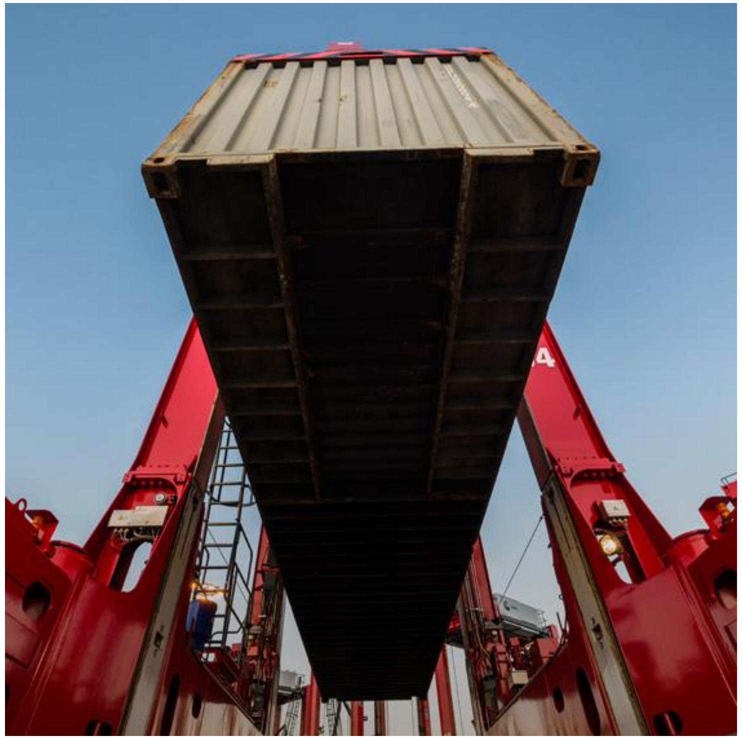
* Included in interest-bearing net debt.

Cash flow statement

MEUR	Note	1 Jan–31 Dec 2016	1 Jan–31 Dec 2015
Net income for the period		125.3	142.9
Depreciation, amortisation and impairment	10	84.8	76.5
Financing items	11	28.6	26.9
Taxes	12	43.8	43.3
Change in receivables		10.3	74.6
Change in payables		66.9	-108.4
Change in inventories		13.3	63.2
Other adjustments		0.0	-4.4
Cash flow from operations before financing items and taxes		**373.0**	**314.6**
Interest received		1.1	1.3
Interest paid		-21.9	-22.0
Other financing items		10.7	-50.9
Income taxes paid		-49.4	-47.4
Net cash flow from operating activities		**313.5**	**195.6**
Acquisitions of businesses, net of cash acquired	5	-66.8	-0.6
Investments in associated companies and joint ventures	17	-2.7	-2.9
Investments in fixed assets	15,16	-80.5	-78.8
Disposals of fixed assets	7,15,16	17.6	21.3
Cash flow from investing activities, other items		0.9	3.2
Net cash flow from investing activities		**-131.5**	**-57.8**

MEUR	Note	1 Jan–31 Dec 2016	1 Jan–31 Dec 2015
Proceeds from share subscriptions	25	0.5	4.6
Treasury shares acquired		-7.6	-3.4
Acquisition of non-controlling interest		-	-3.5
Proceeds from long-term borrowings		-	120.0
Repayments of long-term borrowings		-3.2	-125.0
Proceeds from short-term borrowings		38.2	177.0
Repayments of short-term borrowings		-58.9	-311.5
Profit distribution	24	-52.8	-36.1
Net cash flow from financing activities		**-83.9**	**-177.9**
Change in cash and cash equivalents		**98.1**	**-40.2**
Cash and cash equivalents, and bank overdrafts 1 Jan	23	164.9	203.4
Effect of exchange rate changes		-2.2	1.7
Cash and cash equivalents, and bank overdrafts 31 Dec	23	**260.8**	**164.9**
Bank overdrafts 31 Dec	23	12.4	10.9
Cash and cash equivalents 31 Dec		**273.2**	**175.8**

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

Market environment in 2016

Number of containers handled at ports grew

- Growth continued in 2016, but at slower pace
- Strong interest for efficiency improving automation solutions
- Customer decision making is slower

Construction activity on good level

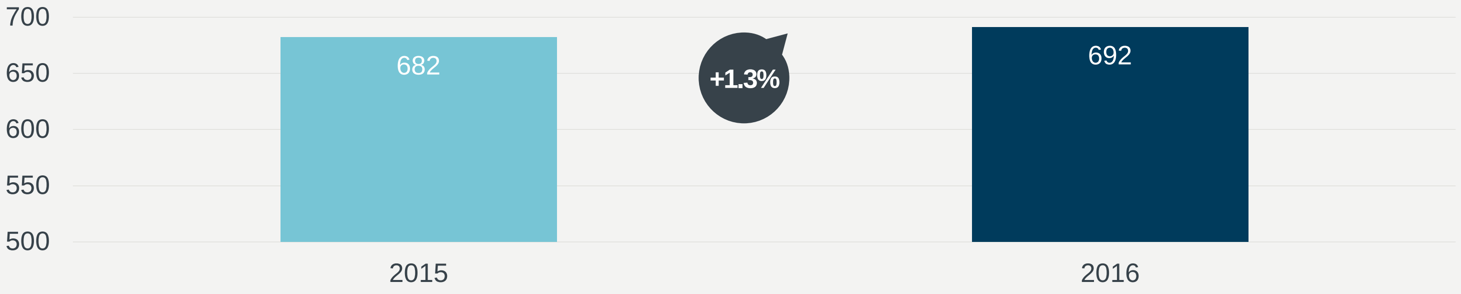
- Strong development continued in the US
- Activity levels increasing in Europe

Marine cargo handling equipment market still weak

- Market remained weak both in merchant and offshore
- Shipping and oil price environment improved towards the end of the year

Global container throughput (MTEU) – Key driver for Kalmar

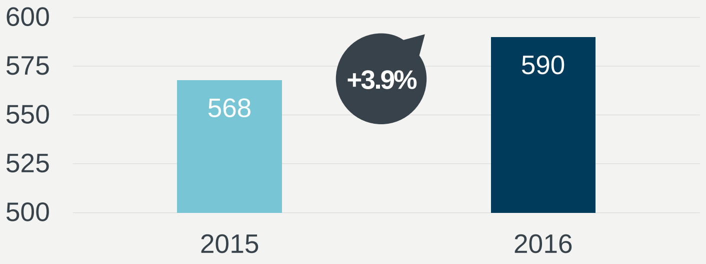
Source: Drewry



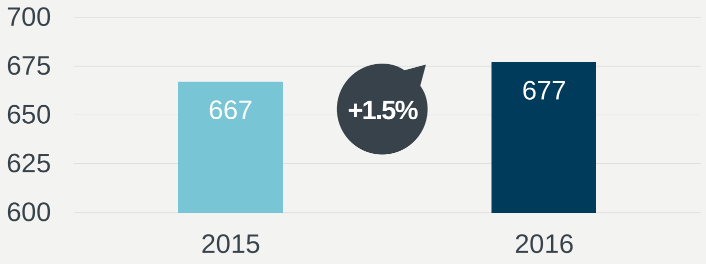
Construction output – Key driver for Hiab

Source: Oxford Economics (USD billion, 2010 prices)

North America



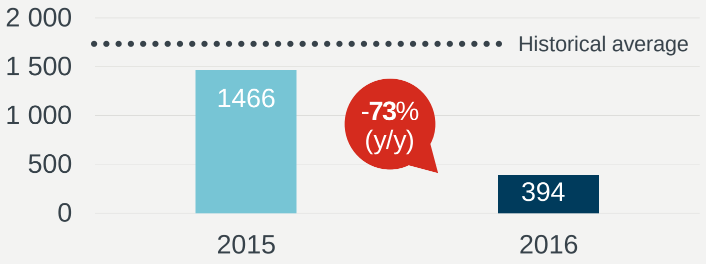
Europe



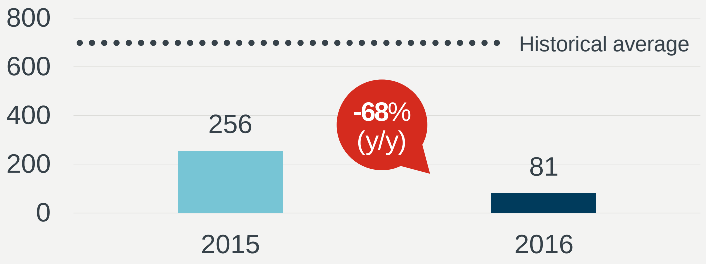
Long term contracting – Key driver for MacGregor

Sources: Unctad, Clarkson Research (number of ships and offshore units)

Merchant ships > 2,000 gt



Mobile offshore units



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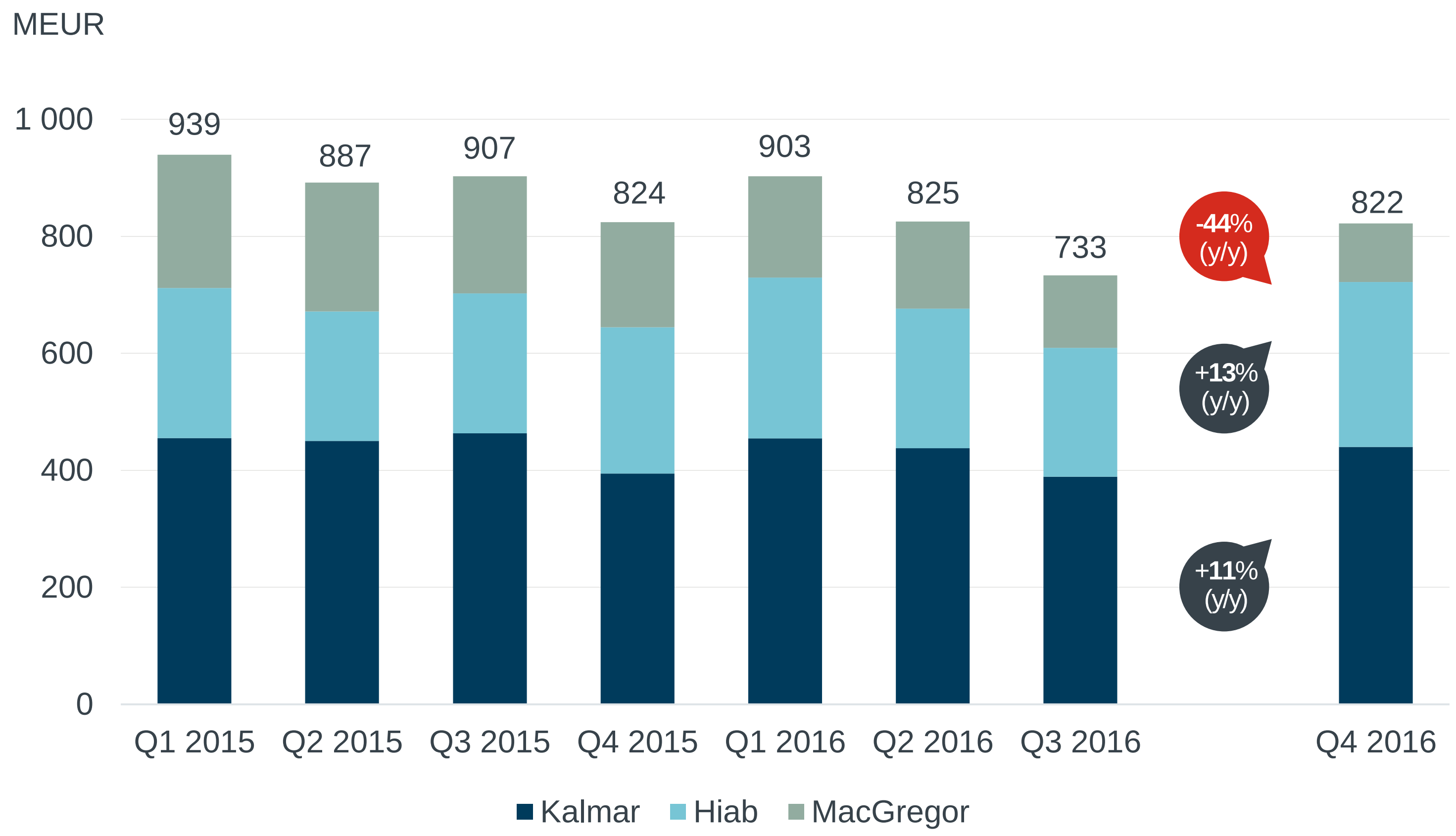
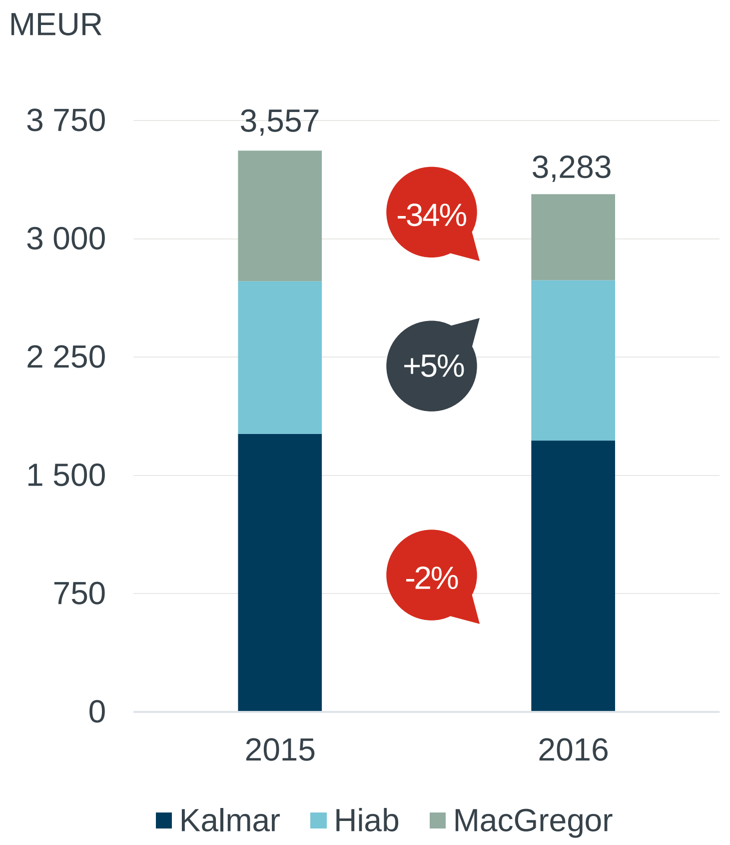
Orders received – Hiab's and Kalmar's orders received grew in Q4

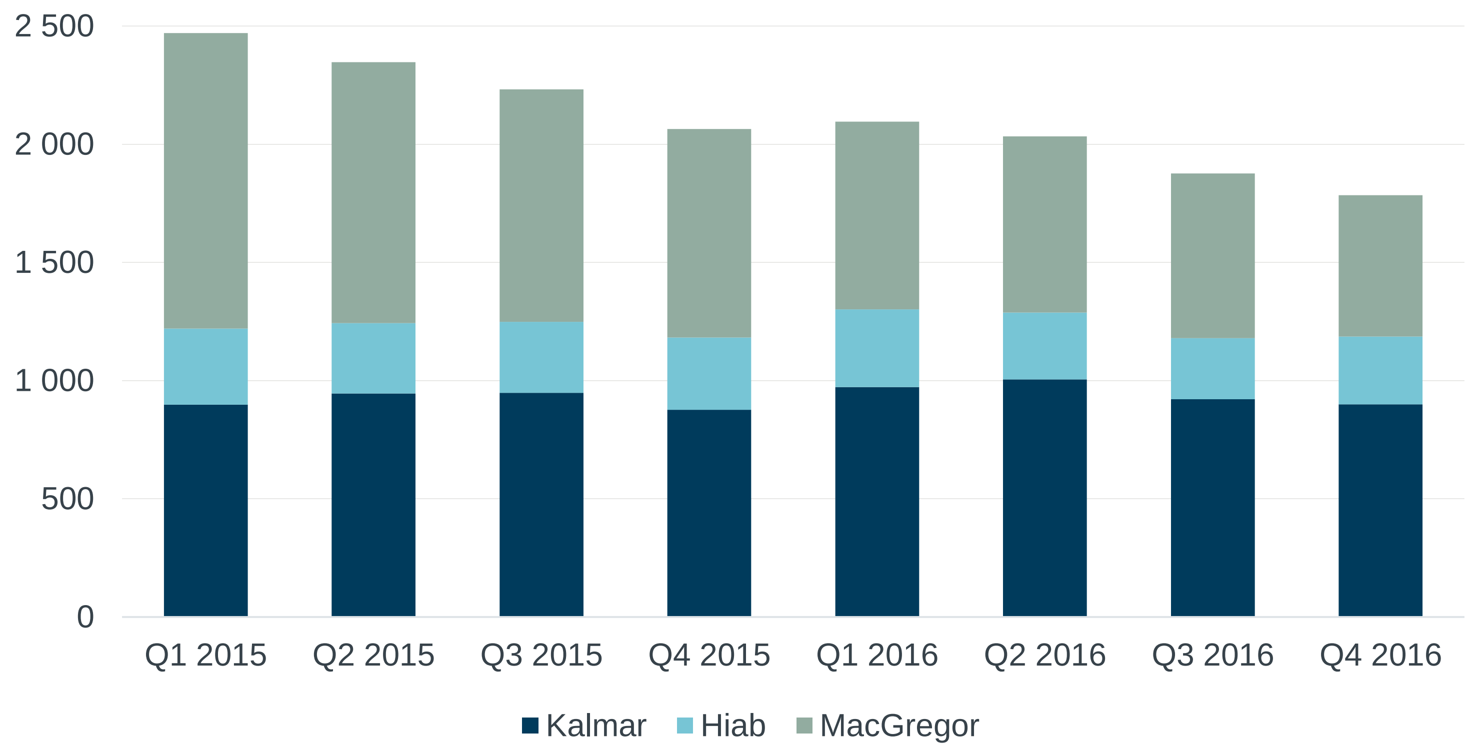




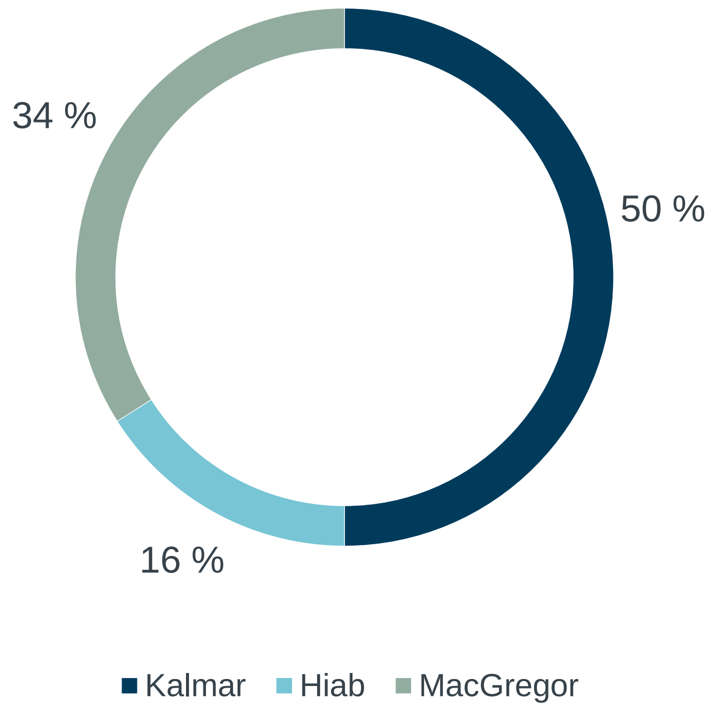
Order book stable in Kalmar and Hiab

Order book

MEUR



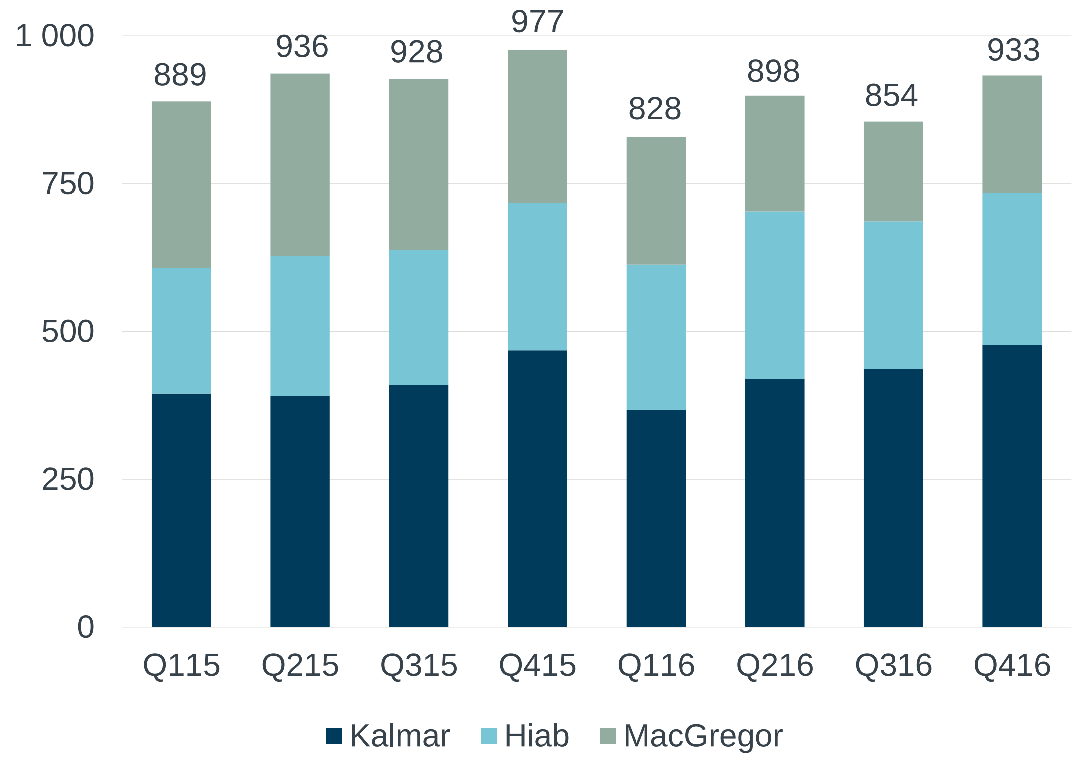
Order book by reporting segments, Q4 2016



Good development in Kalmar and Hiab operating profit

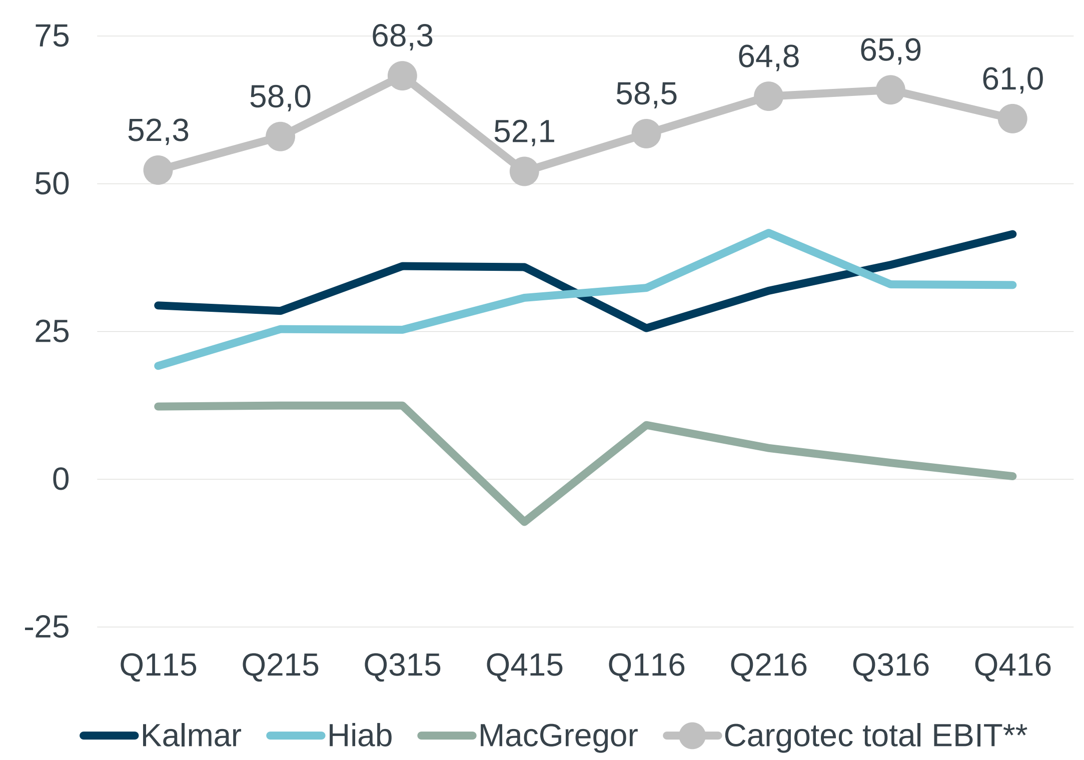
Sales

MEUR



Operating profit*

MEUR



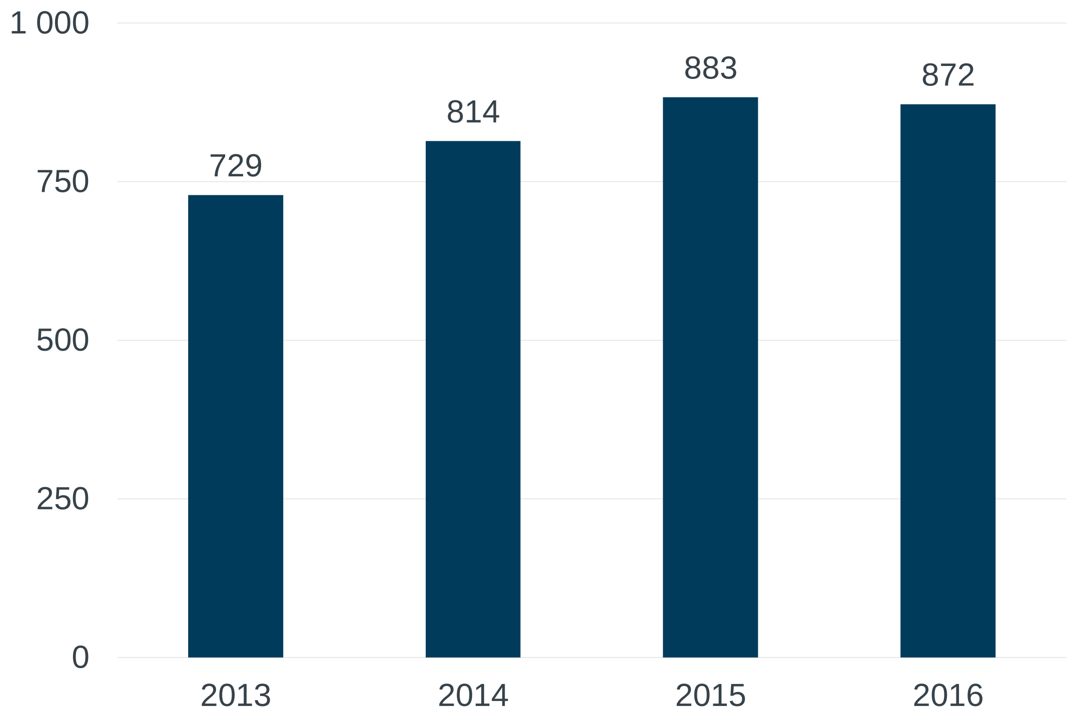
*) Excluding restructuring costs, **) Including Corporate admin and support

Increasing focus on services potential

Good progress in Hiab, Kalmar improved towards year-end, weak market situation in MacGregor

Sales of services

MEUR



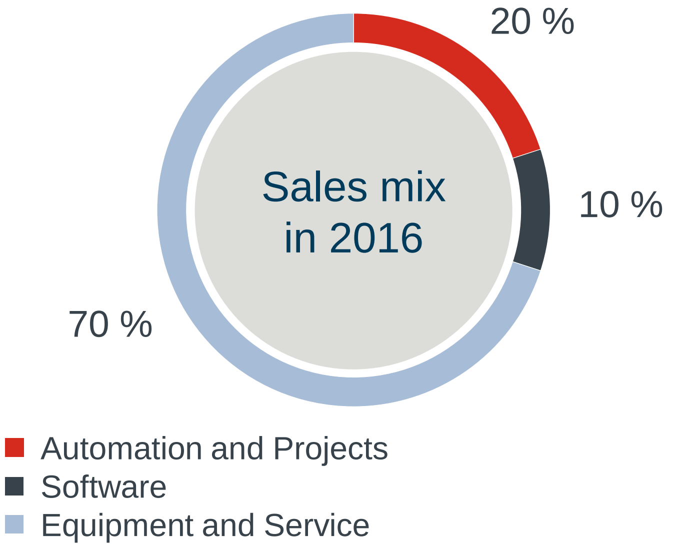
Key actions for growth:

- Improve sales process
  - Improved visibility on customer potential and tools to capitalise the potential
- Digitalisation and connectivity:
  - Online services and e-commerce solutions
  - Over 1,200 new equipment connected in 2016
- Service agreements for new equipment
- New distribution centers improving availability
- Improved dealer management
- Dedicated services program established in Kalmar

Kalmar Q4 – Strong quarter

- Orders received increased in EMEA
  - Growth in Automation and Projects, software and services orders received
- Order book at last year's level
- Service sales increased 6%, software sales growing
- Profitability improved in Automation and Projects, software and services

MEUR	Q416	Q415	Change
Orders received	**440**	395	+11%
Order book	**900**	877	+3%
Sales	**477**	468	+2%
Operating profit*	**41.5**	35.9	+16%
Operating profit margin*	**8.7%**	7.7 %	



*) Excluding restructuring costs

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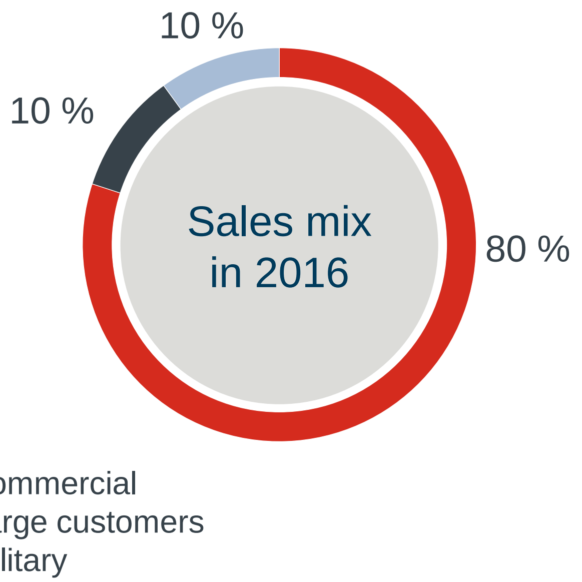
Hiab Q4 – New product launches driving orders

- Good growth in EMEA and APAC
  - Orders driven by new products: 54 new products introduced in 2016
- Sales grew in loader cranes and demountables
- Several additional costs impacted profitability
  - Around 1.5 percentage point impact on operating profit margin*

MEUR	Q416	Q415	Change
Orders received	**282**	250	+13%
Order book	**286**	305	-6%
Sales	**257**	249	+3%
Operating profit*	**32.9**	30.7	+7%
Operating profit margin*	**12.8%**	12.3%	



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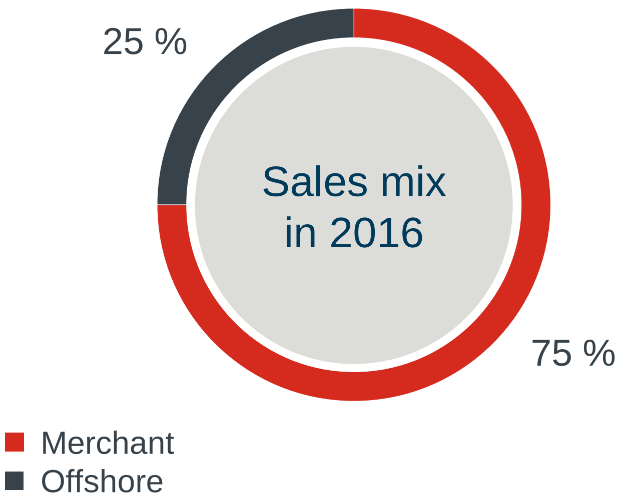
*) Excluding restructuring costs

MacGregor Q4 – Difficult market

MEUR	Q416	Q415	Change
Orders received	100	180	-44%
Order book	598	883	-32%
Sales	199	259	-23%
Operating profit*	0.5	-7.2	
Operating profit margin*	0.3%	-2.8 %	

- Orders received decreased in all regions and major divisions
  - Challenging market situation visible in orders received
- Good sales growth in RoRo, other divisions declined
- Operating profit positive due to cost savings



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*) Excluding restructuring costs

Balance sheet strengthening

Net debt EUR 503 million (622)

- Average interest rate 2.3%
- Net debt/EBITDA 1.8

Total equity EUR 1,395 million (1,339)

- Equity/total assets 39.1% (39.8%)

Well diversified loan portfolio:

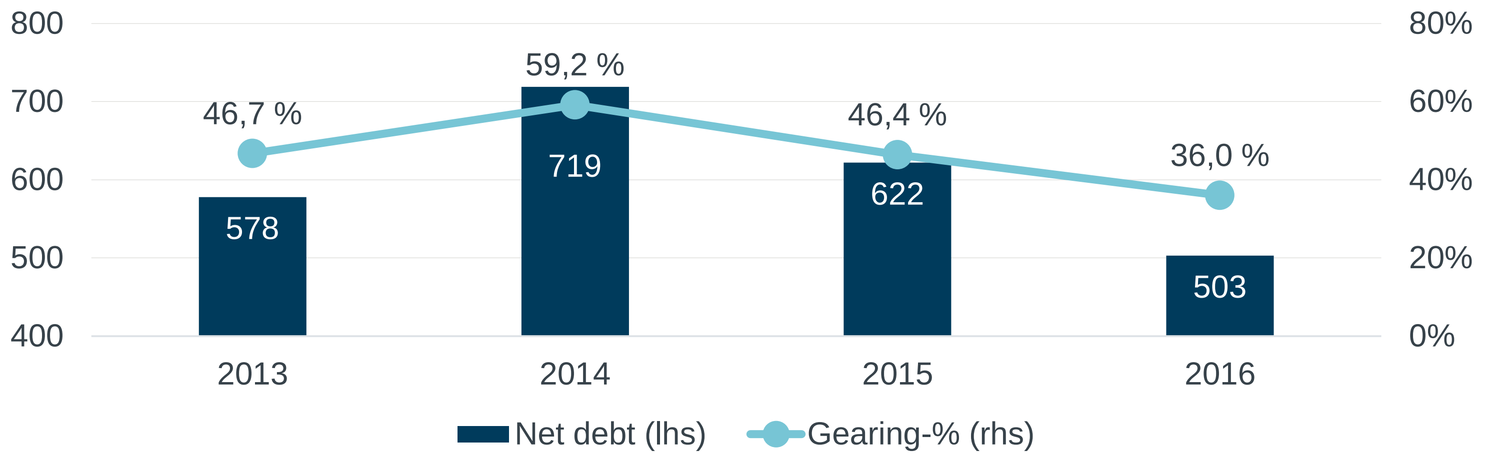
- Bonds EUR 304 million
- Bank loans EUR 425 million
- Other EUR 41 million
- Undrawn facilities EUR 300 million

Balanced maturity profile

- EUR 129 million loans maturing in 2017

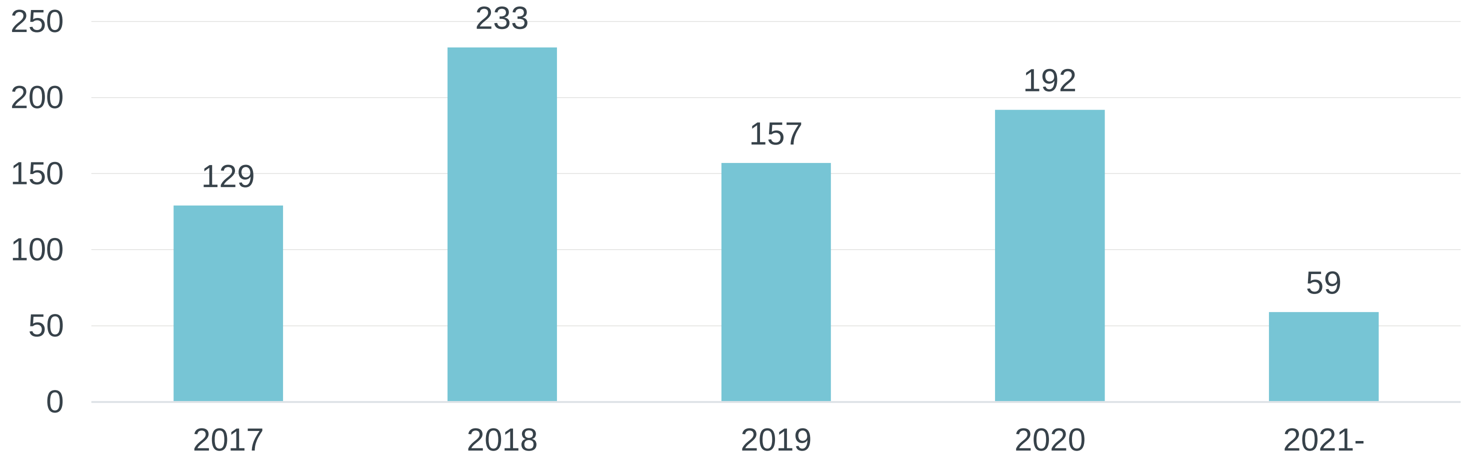
Net debt and gearing

MEUR



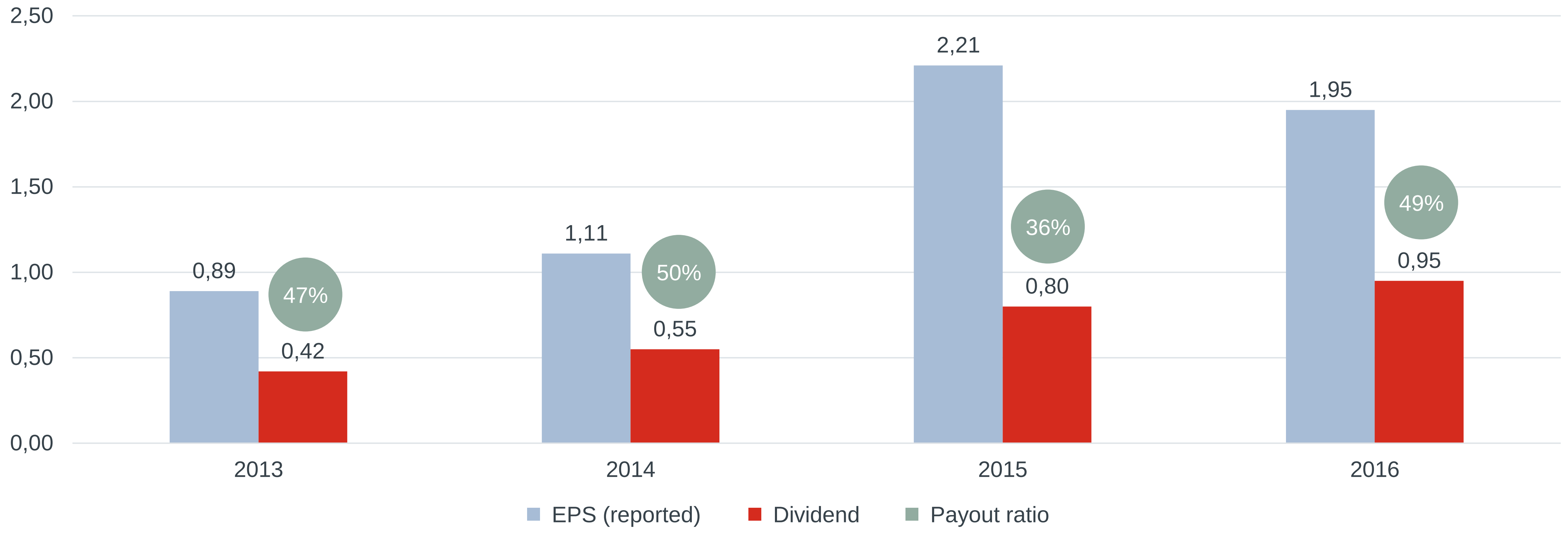
Maturity profile

MEUR



Solid track record to increase the dividend

EUR 0.95 dividend per B share for 2016



Strategy progressed well in 2016

Digitalisation

- IoT cloud platform succesfully built
- Good progress in equipment connectivity
- Navis offering complemented by INTERSCHALT acquisition
- XVELA collaboration platform in commercial pilot

Services

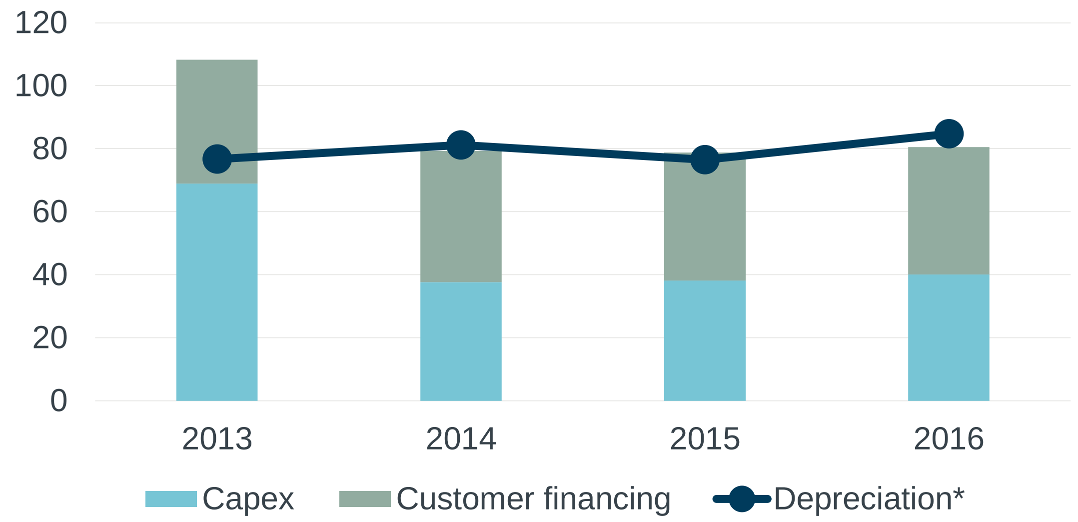
- Spare parts: Focus on branding, logistics, pricing and launching new products
- Services operation development
- Good progress in Hiab

Leadership

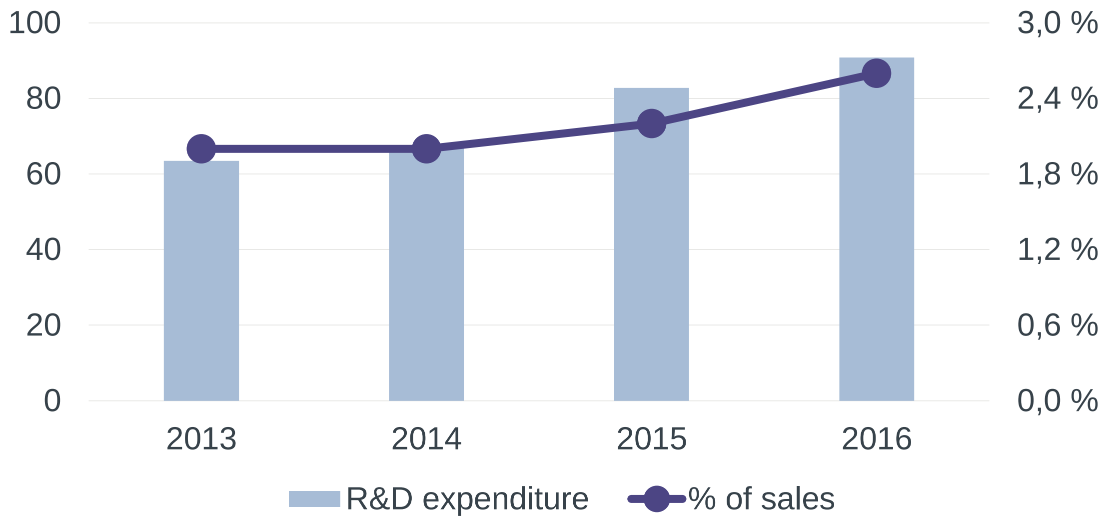
- Aim to establish more uniform performance-based leadership culture
- Over 200 key leaders engaged to leadership transformation
- Good progress in employee engagement

Capex and R&D

Capital expenditure



Research and development



Main capex investments:

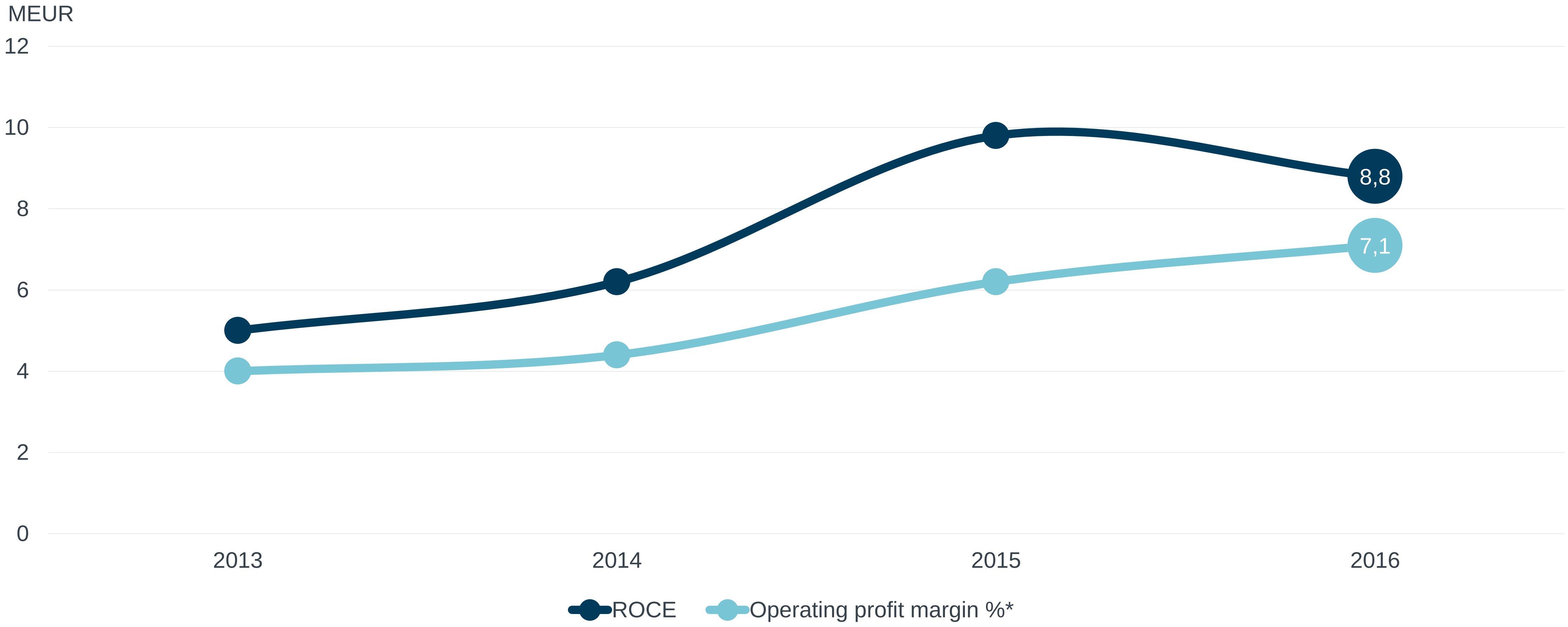
- Kalmar assembly unit in Stargard, Poland
- Manufacturing plant expansion in Kansas, US for Kalmar

R&D investments focused on

- Digitalisation
- Competitiveness and cost efficiency of products

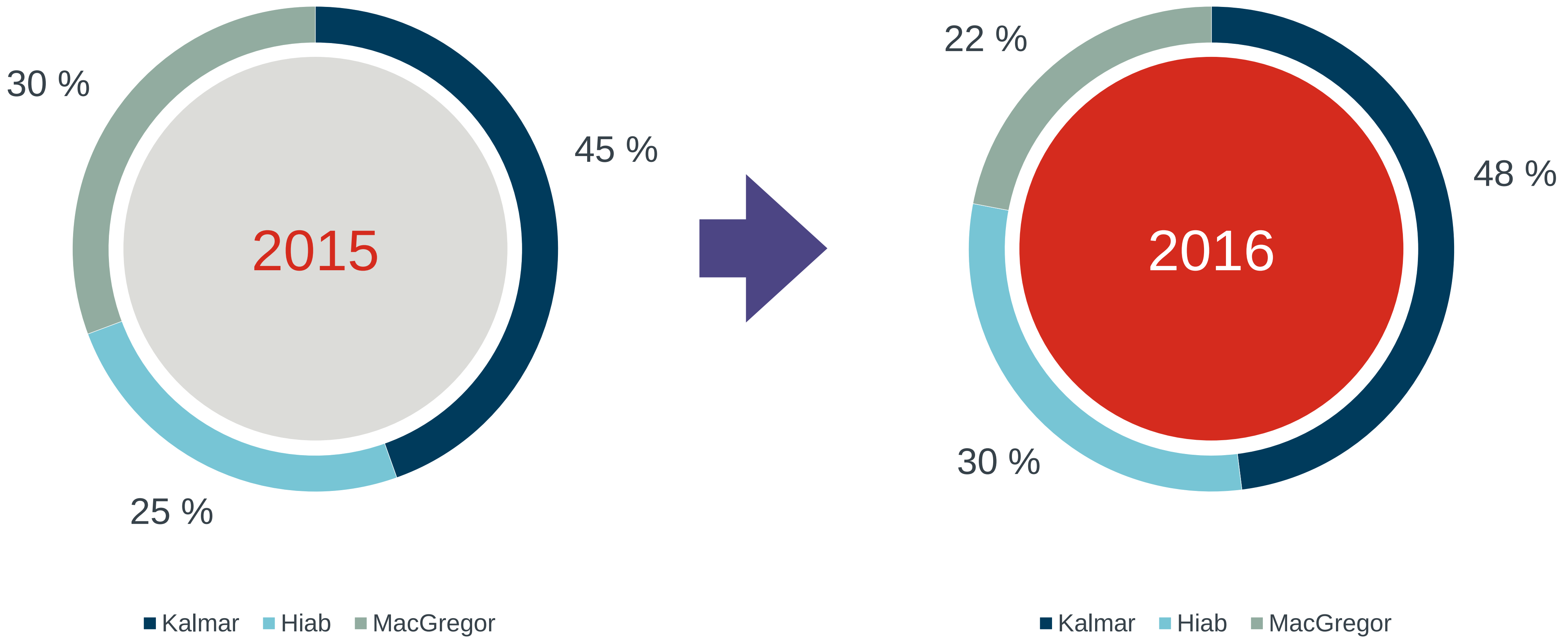
*) Including amortisations and impairments

Operating profit* margin improved, ROCE impacted by restructuring costs

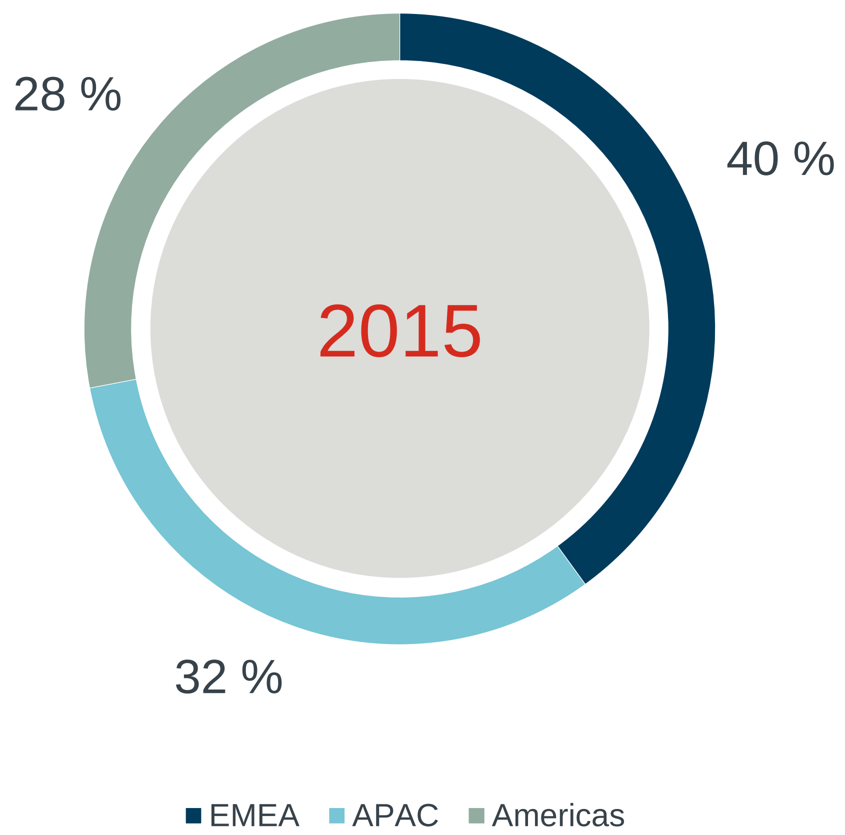


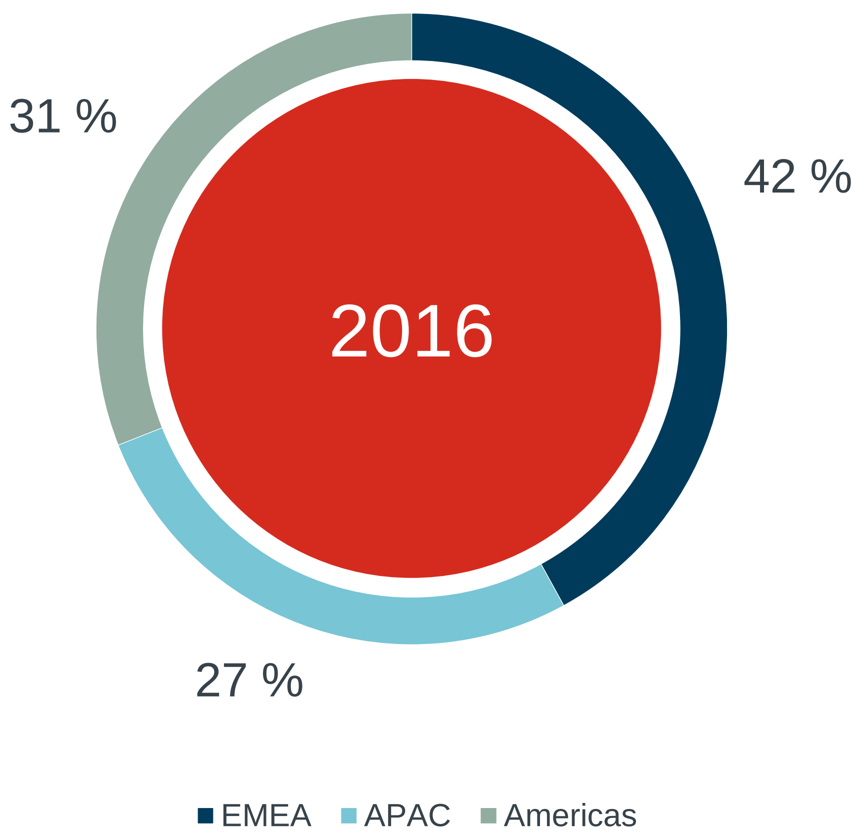
ROCE, annualised *) Excluding restructuring costs

Hiab's share increasing in sales mix

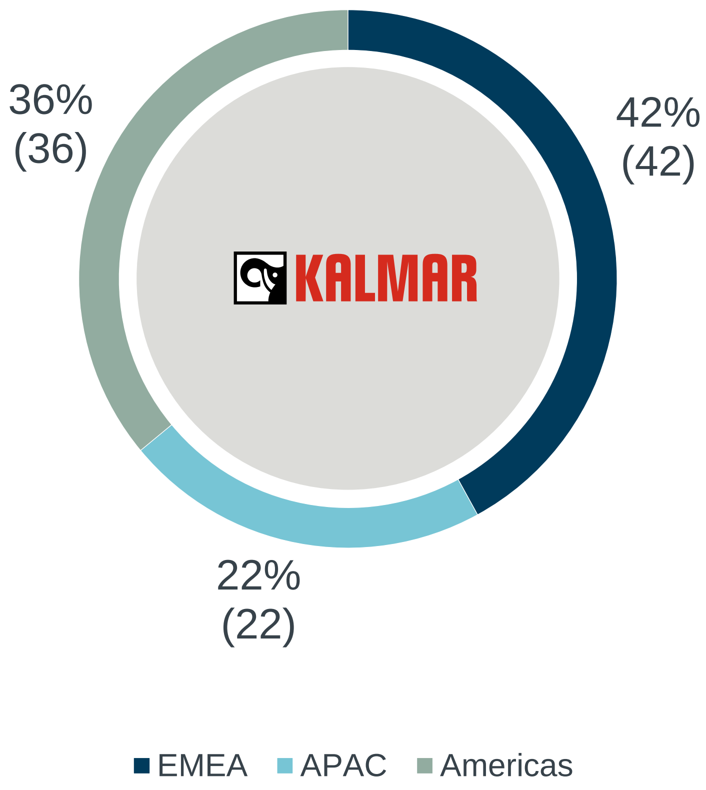


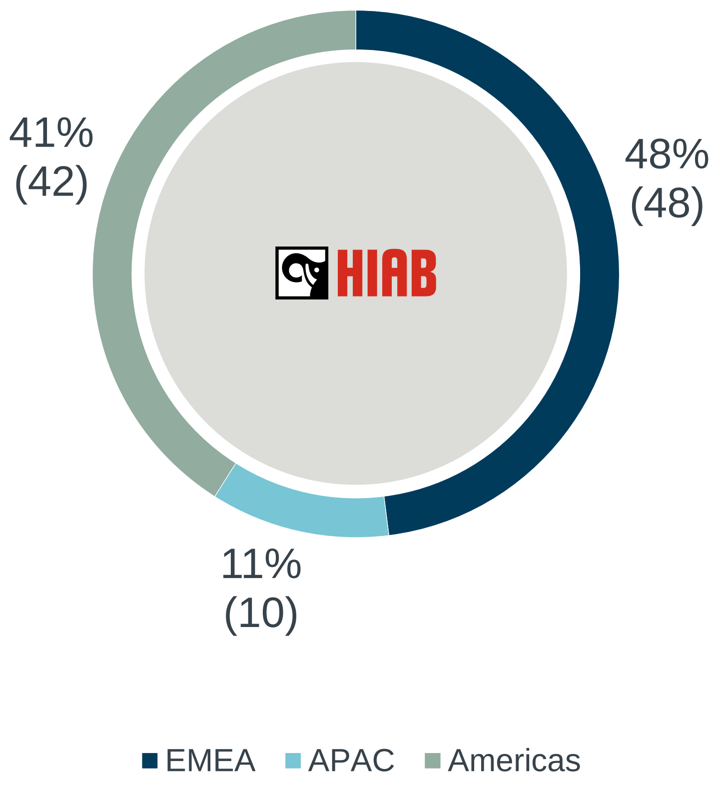
Well diversified geographical sales mix

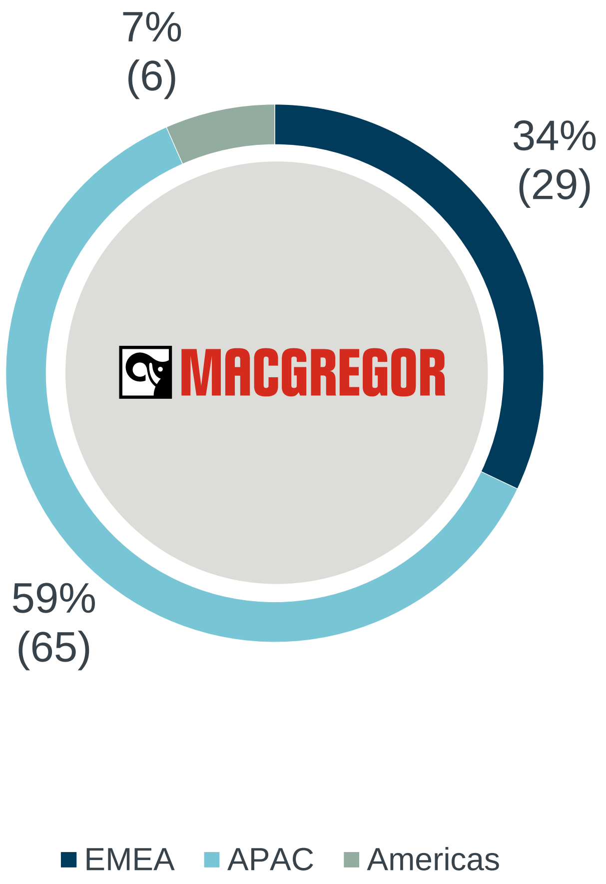




Sales by geographical segment by business area 2016







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

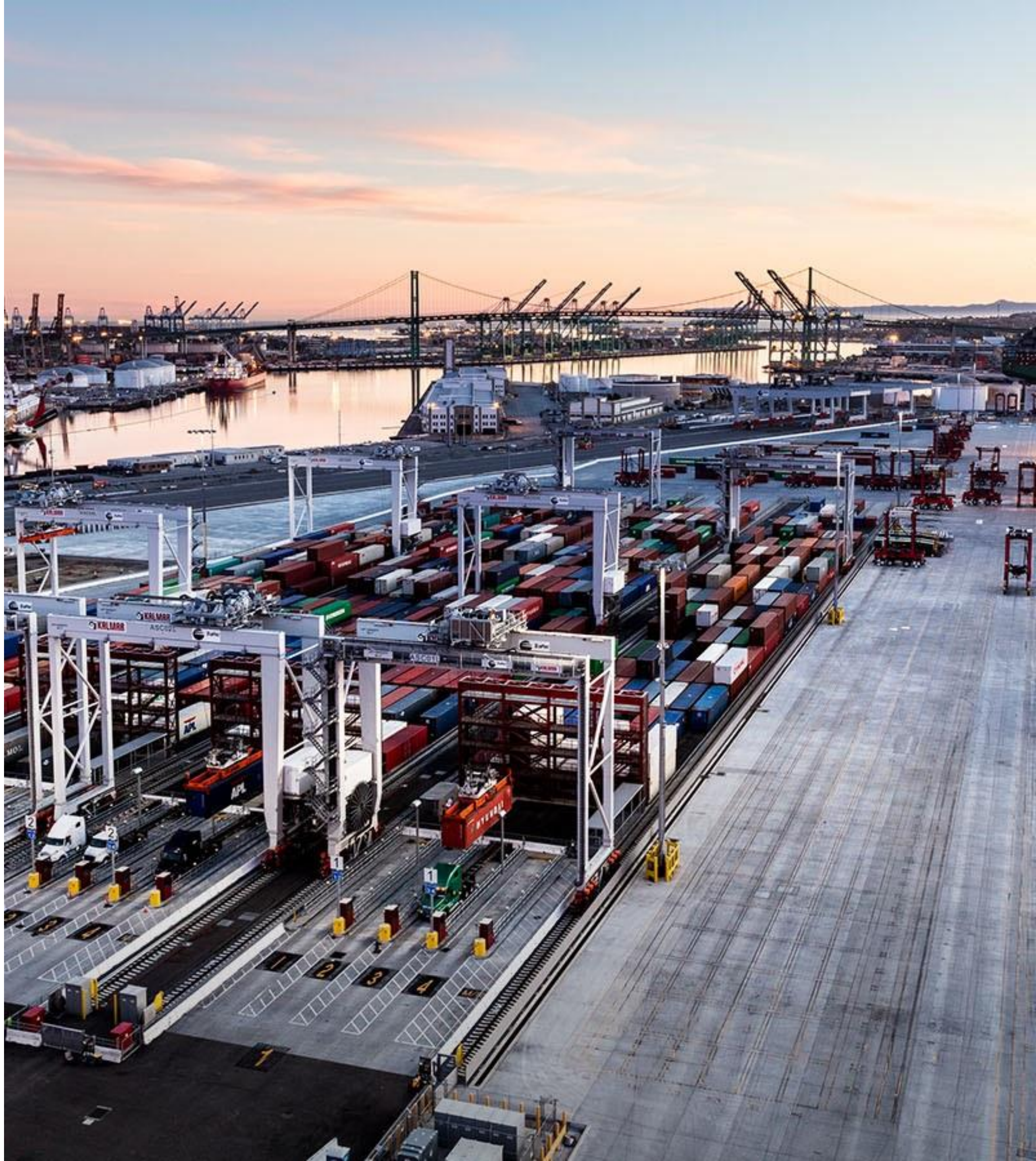
Target:

→ **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



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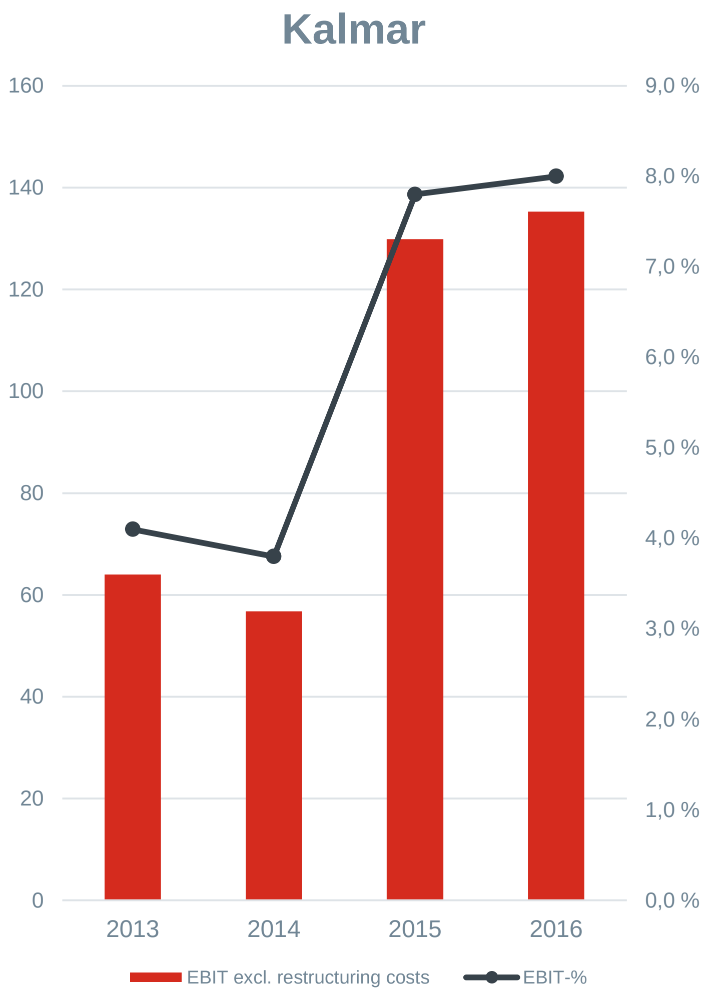
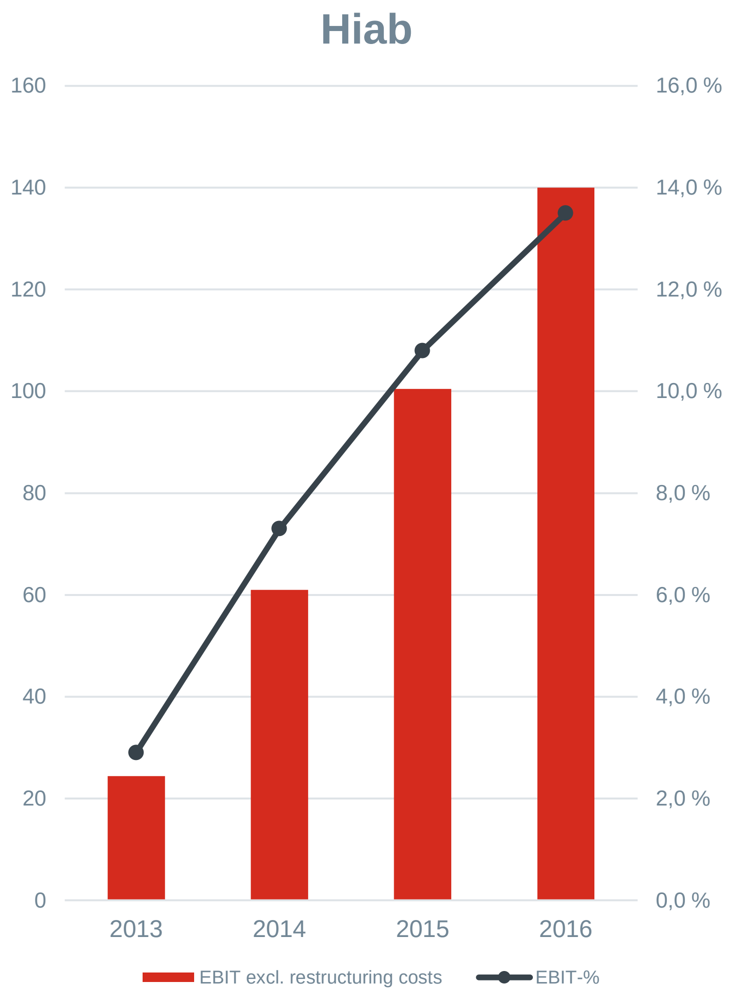
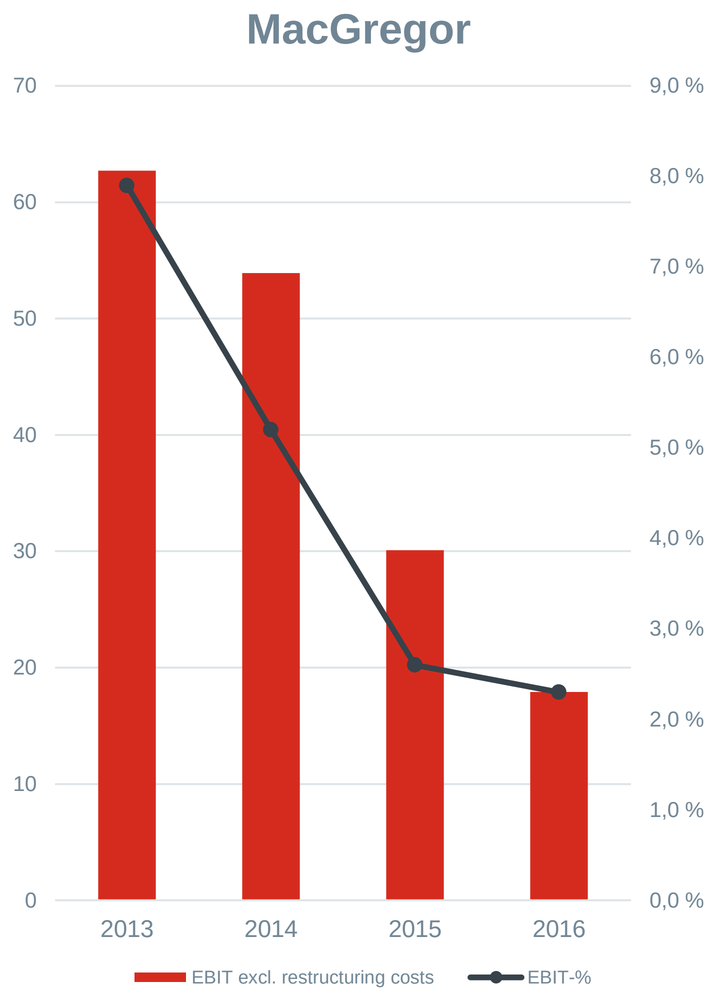
Operating profit excl. restructuring costs development







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

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

Compared to transportation of goods

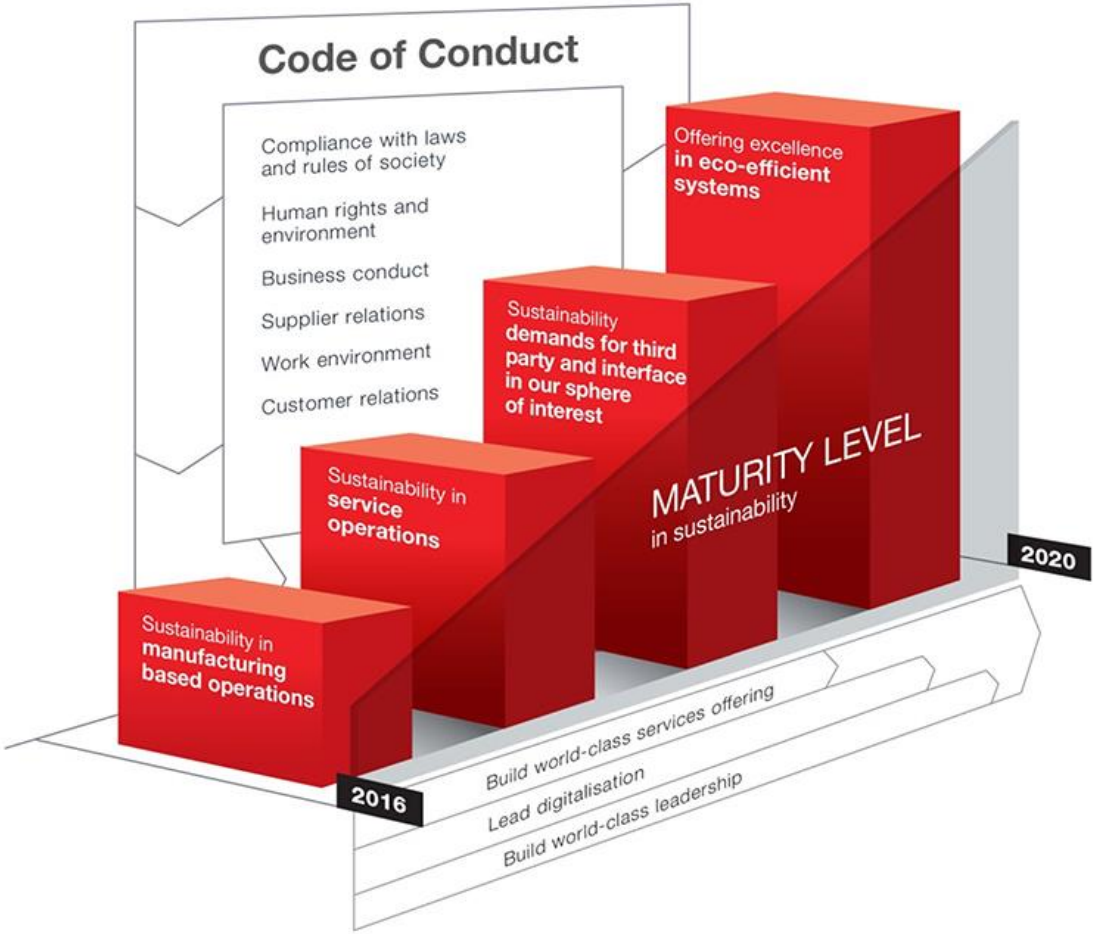
- by trains, sea freight emits ~2-3 times less emissions
- by trucks, sea freight emits ~3-4 times less emissions
- by air cargo, sea freight emits ~14 times less emissions

Cargotec will set the 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%**

Our strategy drives sustainability

- Industry is directing to more-environmentally sound solutions where Cargotec offering provides a huge growth potential
  - Automation and digitalized offering enable the more efficient cargo handling chain, including fuel inefficiency
- Service growth potential supports the way towards circular economy
  - Case: most of the world´s terminals are equipped with diesel-driven RTGs offering a huge potential to Kalmar RTG electrification service
- Leadership in eco-sound products is especially evident in Kalmar, where the sales of hybrid and electric products have increased very strongly during the past 5 years



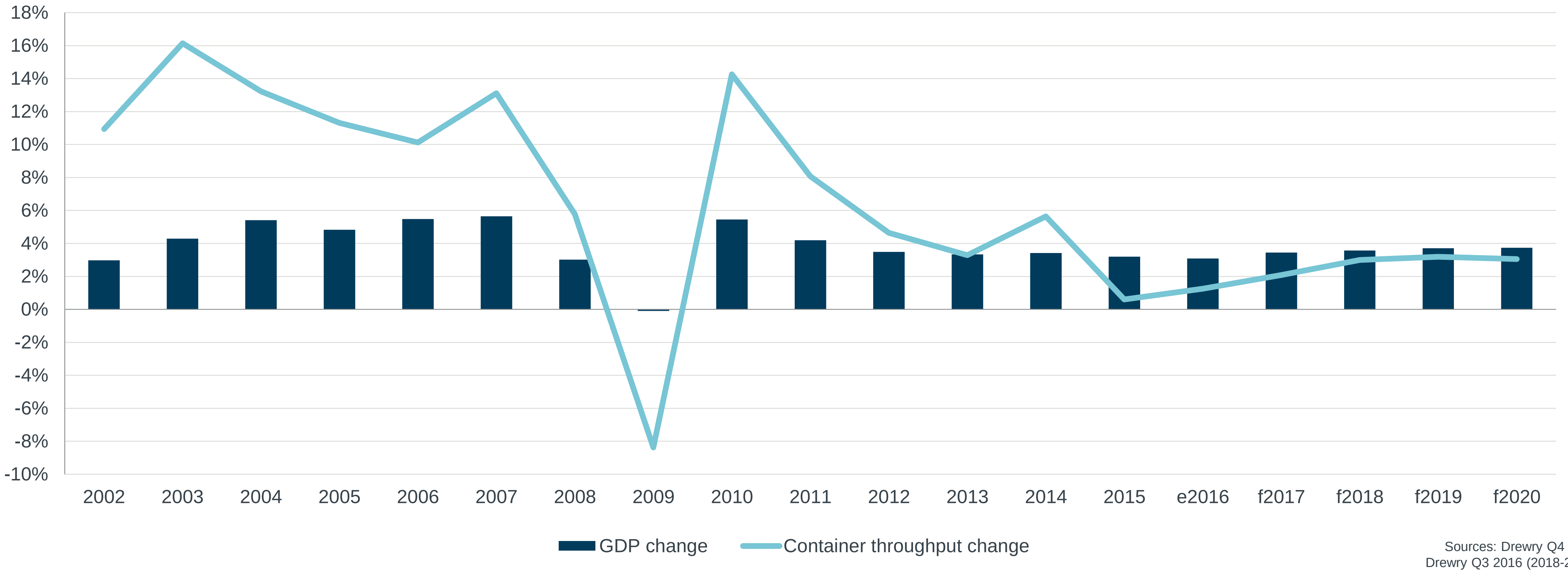
Kalmar appendix

Global container throughput development

Growth stabilising in the short-mid term

Global container throughput and GDP

Change % y/y



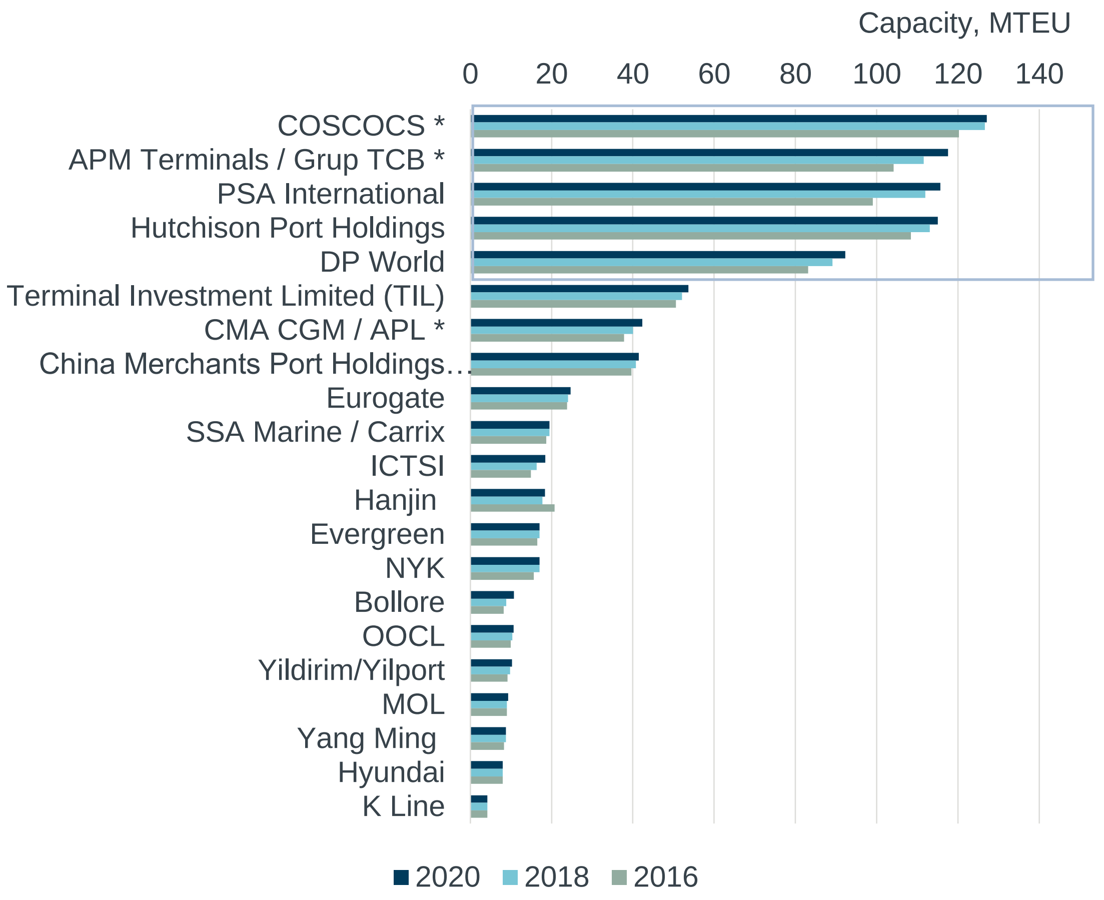
Sources: Drewry Q4 2016
Drewry Q3 2016 (2018-2020)
IMF October 2016

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:

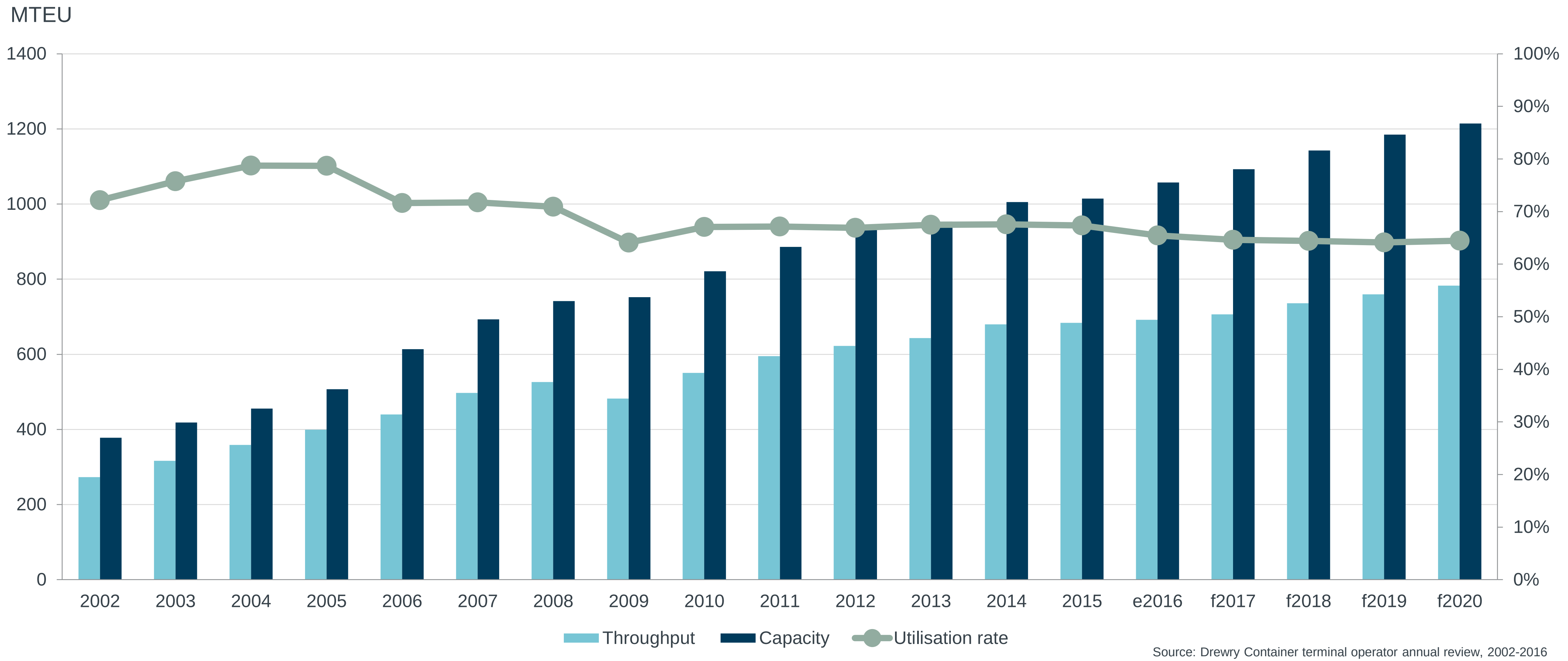
- COSCO and China Shipping merged
- APMT bought Group TCB
- CMA CGM bought APL
- Yildrim bought Portugese Tertir group and the company is also eyeing Ports America



Source: Drewry

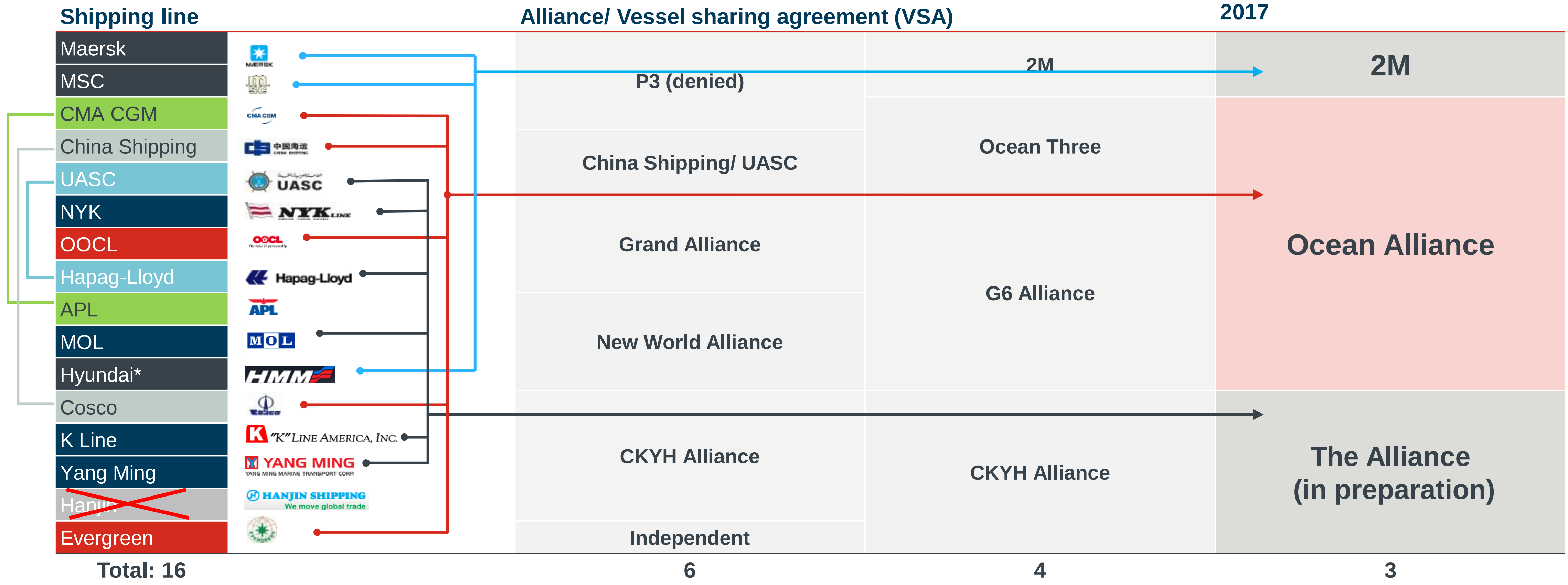
* Capacity counted once in all terminals where shareholding held by both sub operators

Global container throughput and capacity development



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

Three alliances represent about 80% of global container fleet capacity



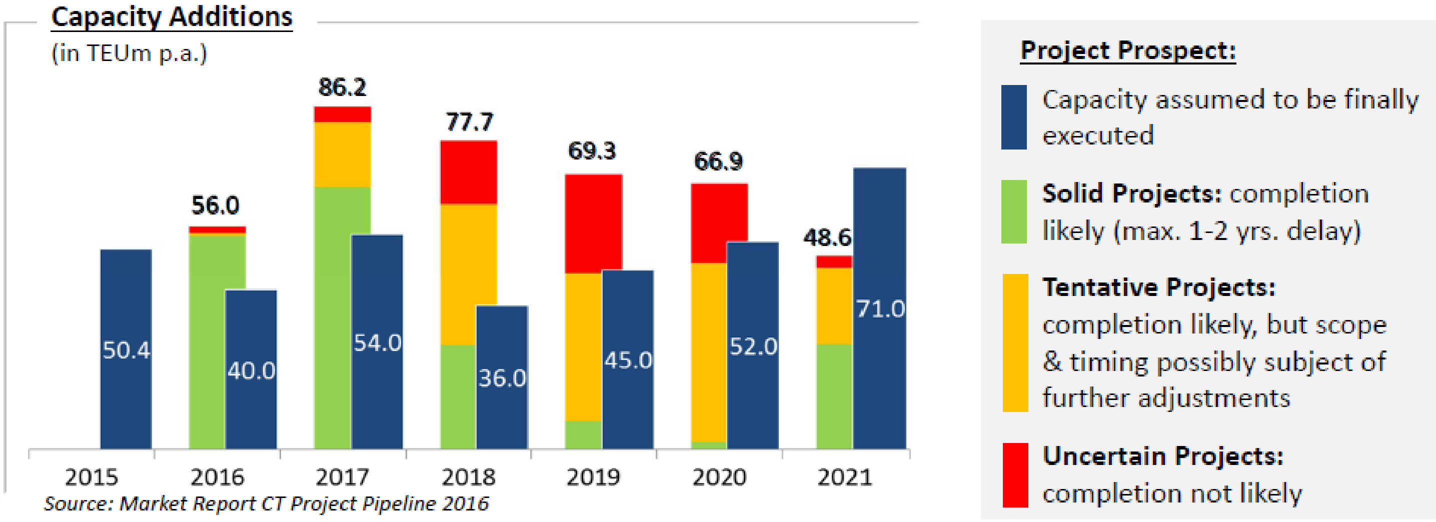
*HMM's membership in 2M alliance isn't yet confirmed

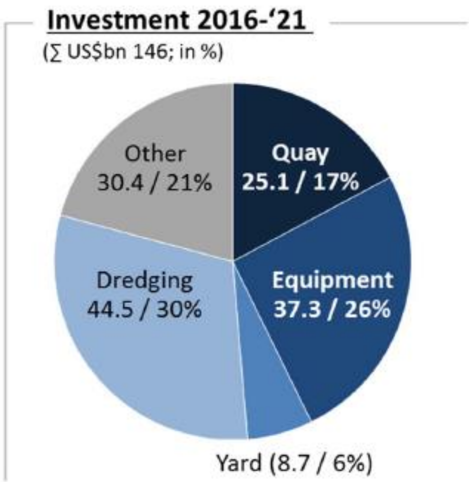
The arrows indicate changes through M&A over the last 12 months. China Shipping and Cosco=Cosco container lines

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.

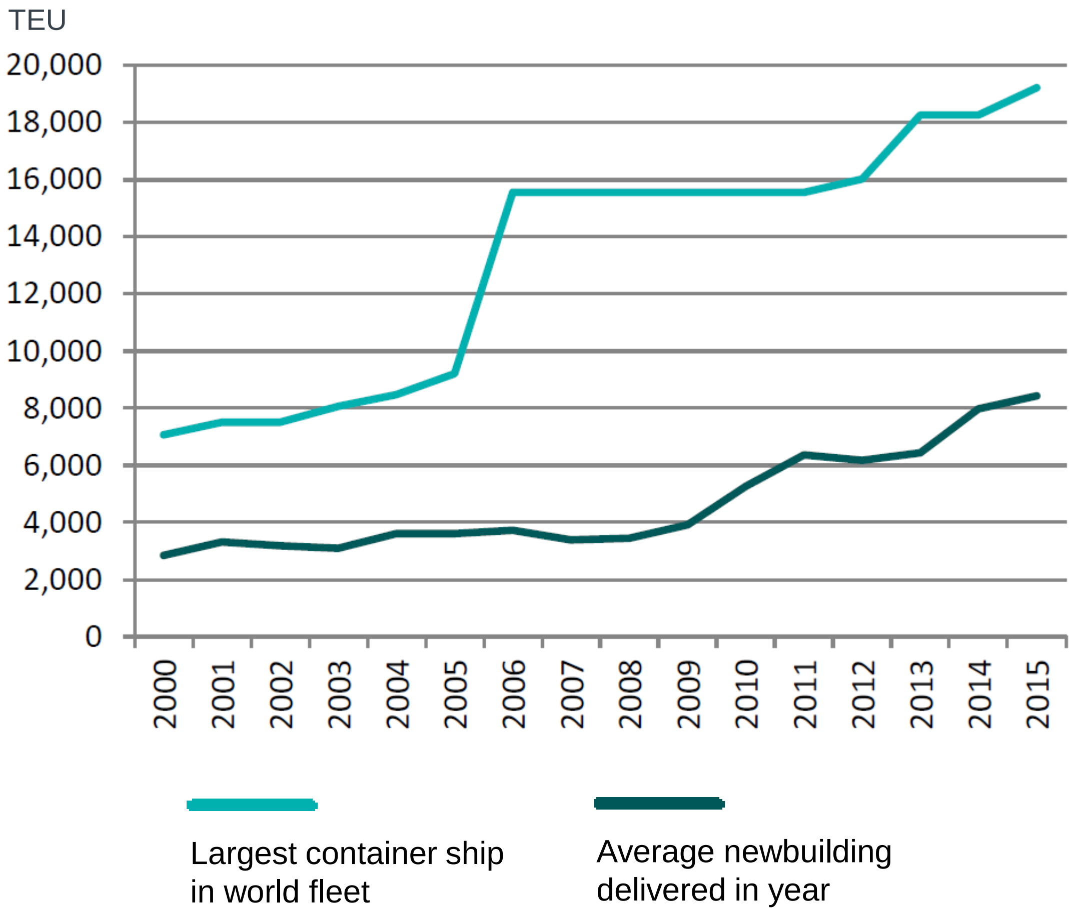
Depending on the type of project, different cost have been assumed for quay construction, container handling equipment, yard construction, dredging & land reclamation and other cost. Overall, DS Research has estimated that investments for container terminal projects 2016-’21 include about US$bn 37 for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

CARGOTEC

Target:

→ **10%**

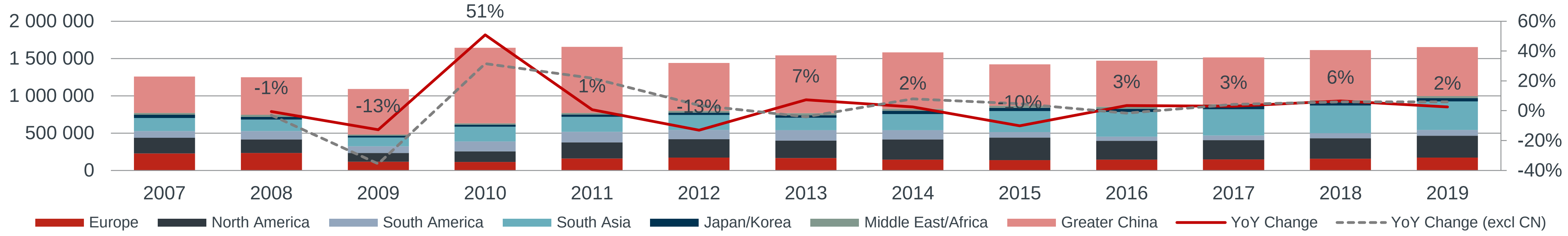
operating profit margin (EBIT) over the cycle

Hiab appendix

Global truck volumes

IHS predicts global truck volumes to increase in 2017 and 2018, driven by China and South Asia and a recovery in US sales, but forecasting a lower growth in Europe during 2017

Truck registrations, GVW >15t

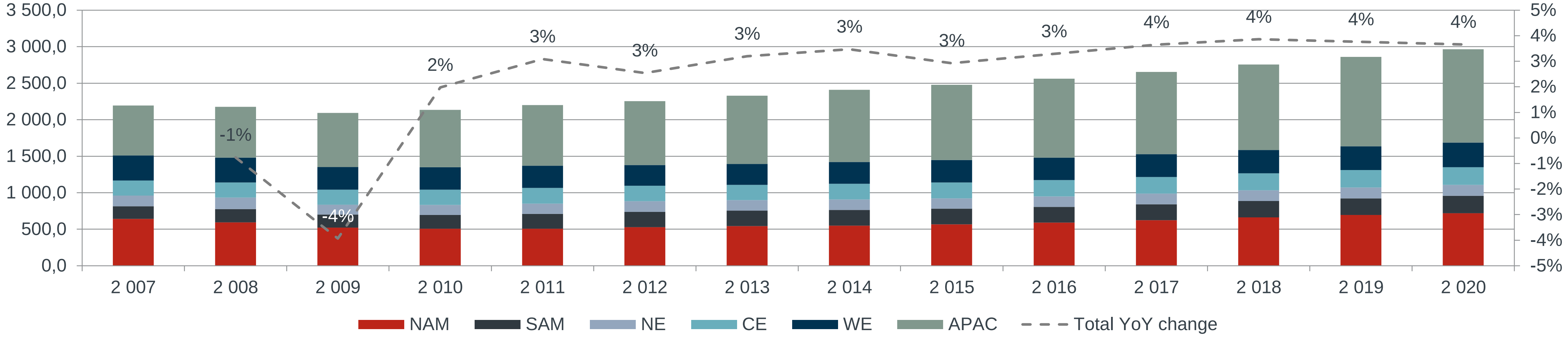


YoY %-changes						
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Europe	-3,7%	3,4%	1,8%	7,2%	8,9%	6,4%
North America	11,6%	-15,8%	2,9%	5,0%	7,3%	4,1%
South America	-41,4%	-25,4%	11,5%	13,1%	11,4%	5,5%
South Asia	29,4%	17,6%	6,3%	6,0%	3,2%	2,2%
Japan/Korea	6,1%	-0,6%	-1,2%	-3,7%	1,5%	-2,8%
Middle East/Africa	-3,7%	-3,9%	-0,2%	5,6%	3,1%	6,7%
Greater China	-26,5%	11,4%	1,3%	7,3%	-2,3%	-1,0%
Total	**-10,2%**	**3,5%**	**3,0%**	**6,5%**	**2,5%**	**1,8%**

Source: IHS Truck registration (December 2016)

Construction output forecast

Annual Construction Output



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

Source: Oxford Economics construction output December 2016 (All Output series are measured in Billions, 2010 Prices)

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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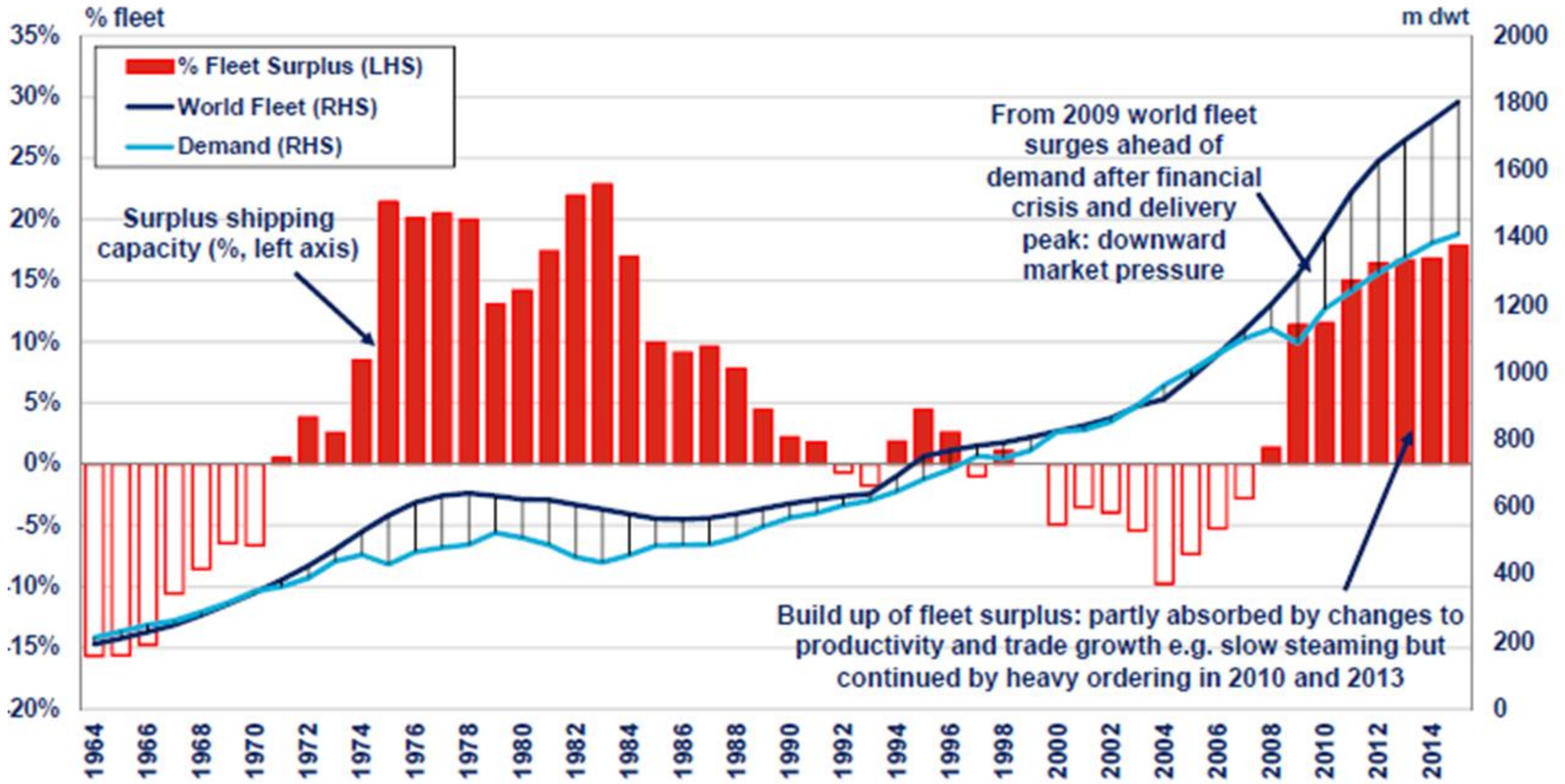
MacGregor appendix

World fleet: supply-demand balance



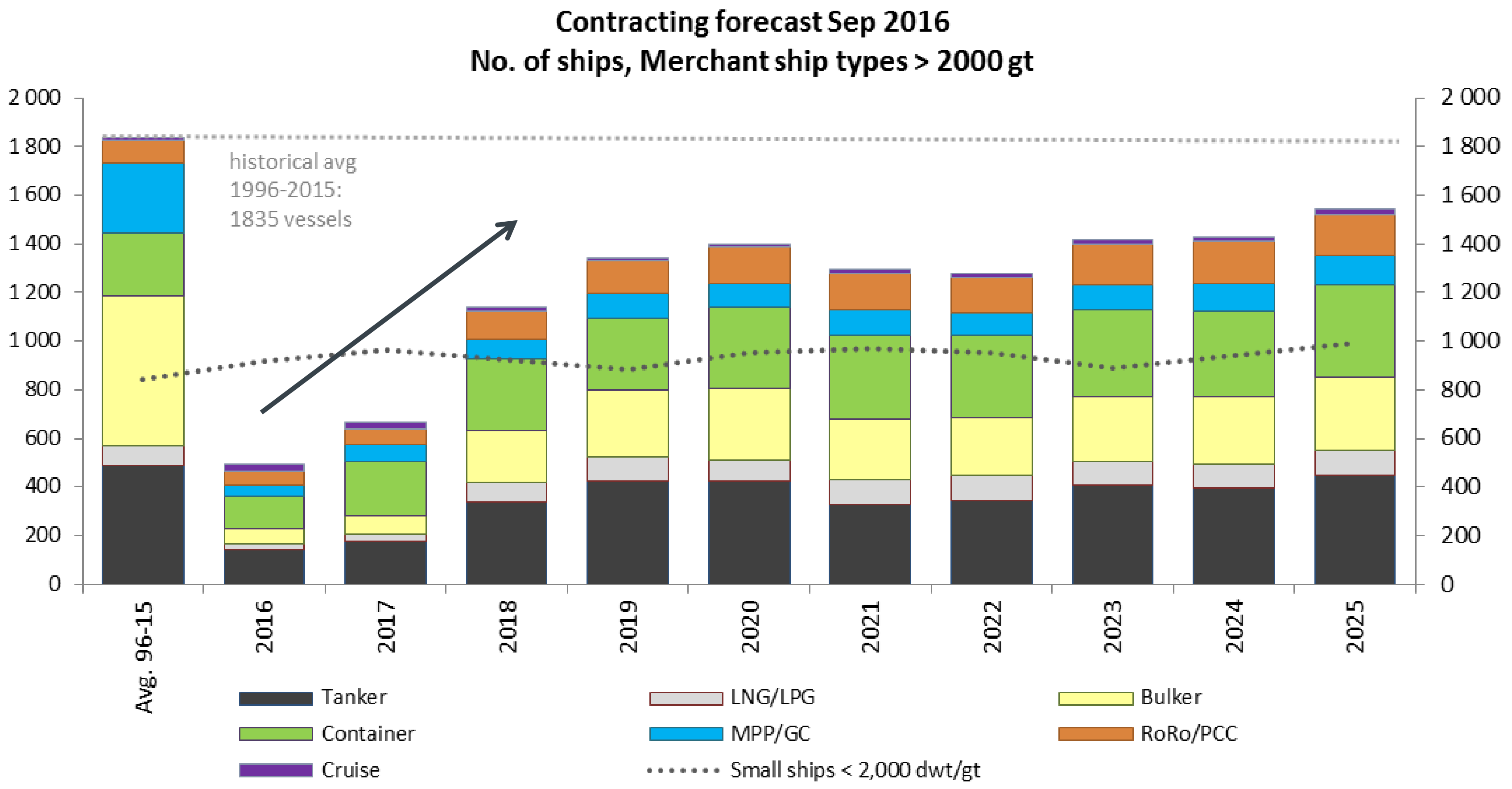
Source: Clarksons September 2016

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

Merchant ship types > 2000 gt, base case

Vessel upsizing trend continues:

Upsizing trends are expected to continue, with the average size of ships delivered in 2016-28 projected to reach c.37,500 GT, compared to the average size of units in the current fleet of c. 23,000 GT.



Source: Clarksons September 2016

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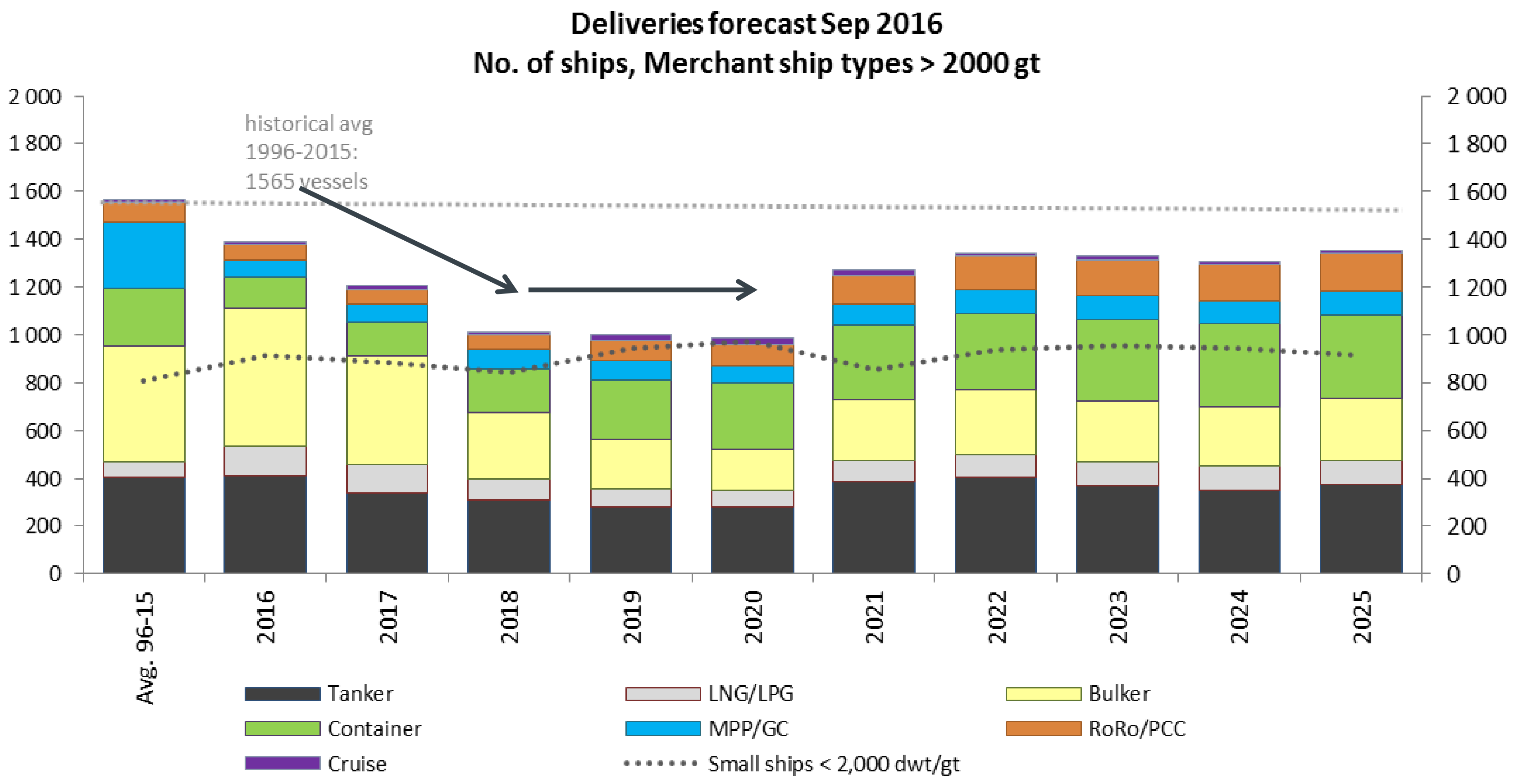
Merchant ships: Deliveries forecast by shiptype (number of ships)

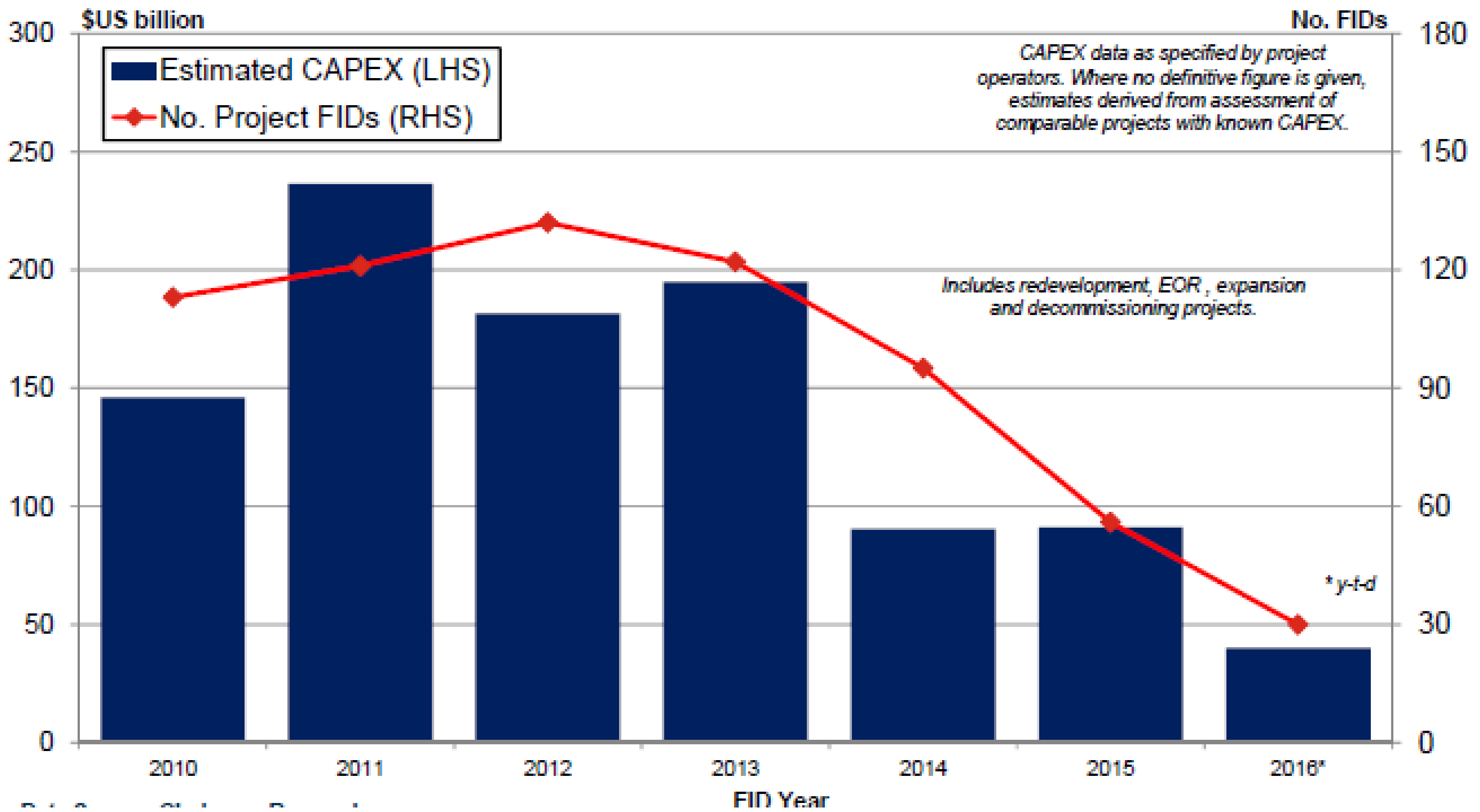
Merchant ship types > 2000 gt, base case

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 September 2016

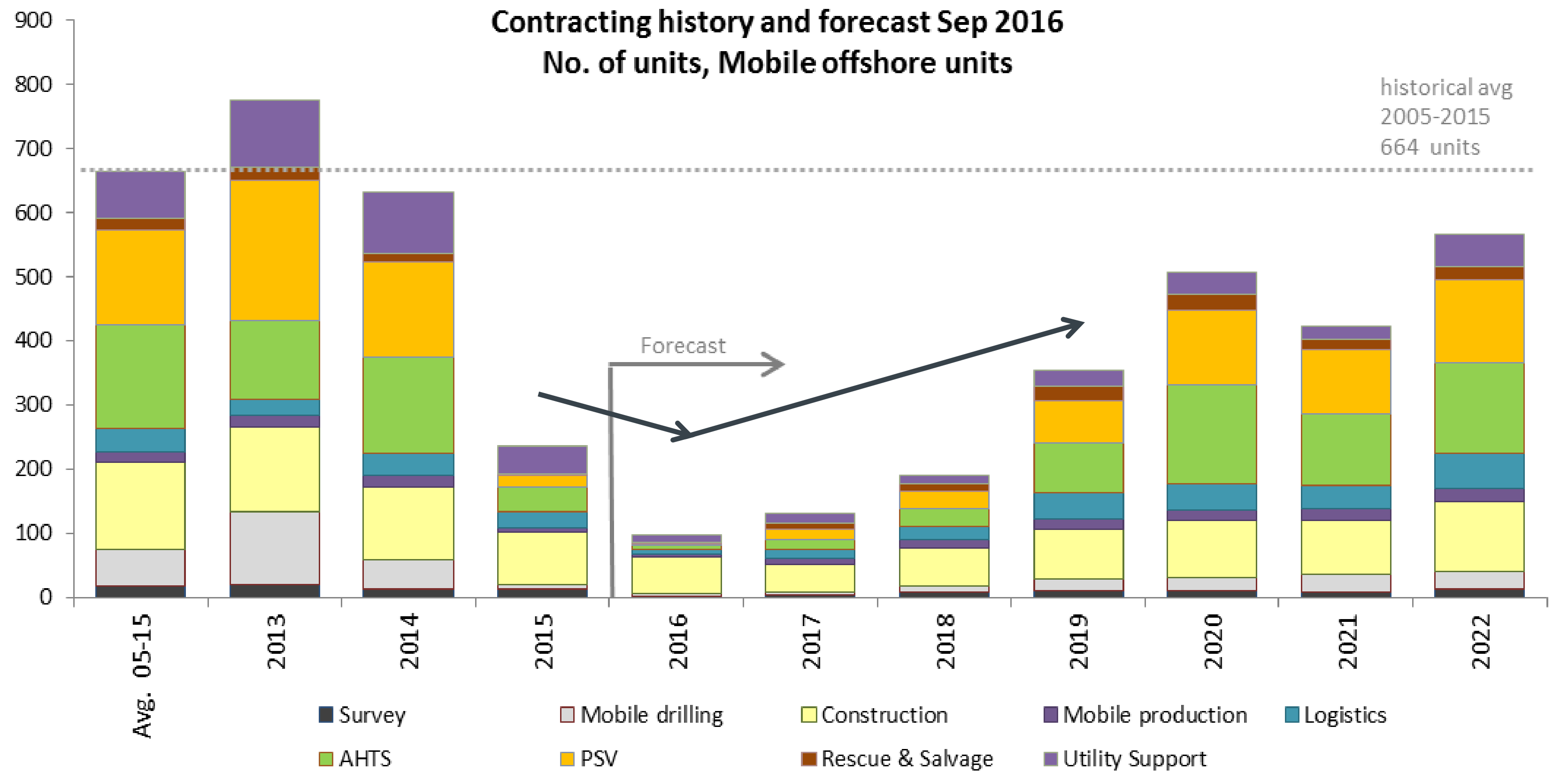
Historical offshore CAPEX



Source: Clarksons September 2016

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

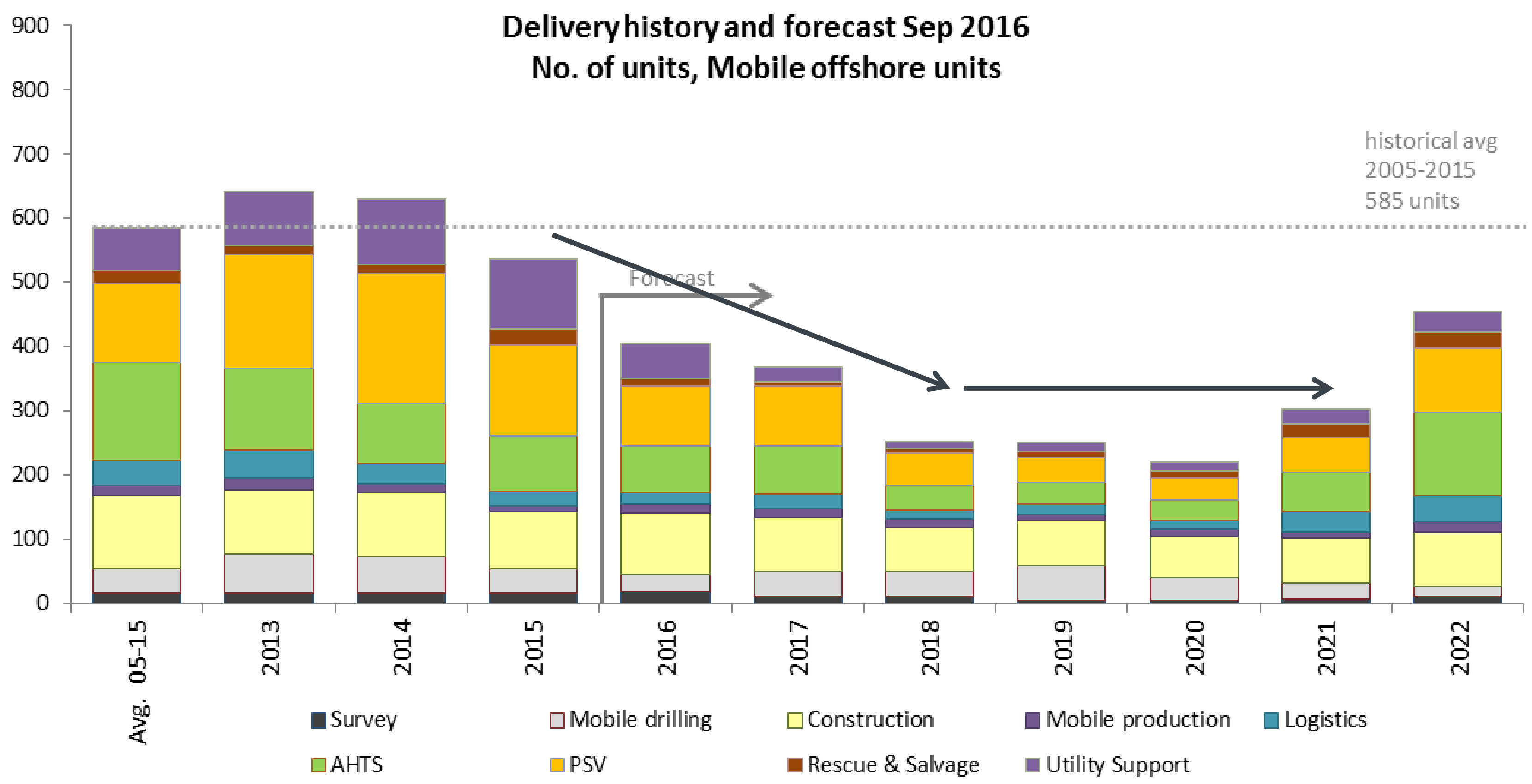
Offshore mobile units, base case (USD 60/bbl 2021)



Source: Clarksons September 2016

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

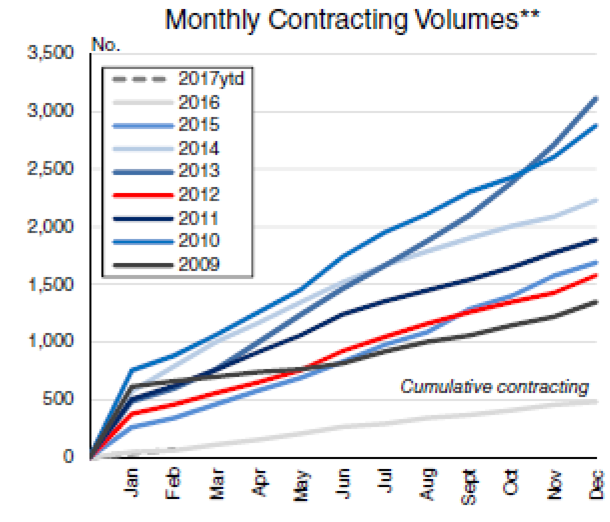
Offshore mobile units, base case (USD 60/bbl 2021)



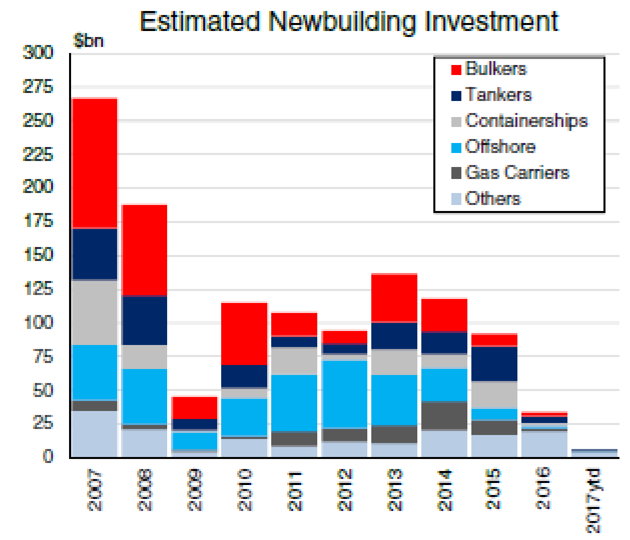
Source: Clarksons September 2016

Shipbuilding – Contracting (ships >2000 gt/dwt)

Global Contracting Activity (1st March 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**)	**1,690**	**483**	**69**	***-14%***	**92.2**	**33.9**	**6.4**	***13%***	**40.0**	**11.5**	**1.9**	***-3%***
Vessel Type												
Bulkers	357	48	0	*-100%*	9.4	3.0	0.0	*-100%*	6.4	1.8	0.0	*-100%*
Tankers	544	144	33	*38%*	26.1	4.9	0.9	*9%*	12.6	2.7	0.7	*56%*
Containerships	249	81	3	*-78%*	19.4	2.1	0.1	*-73%*	10.5	1.5	0.1	*-77%*
Gas Carriers	108	20	2	*-40%*	11.0	2.1	0.5	*55%*	4.3	0.8	0.2	*22%*
Offshore	184	52	8	*-8%*	9.1	1.9	0.5	*39%*	1.7	0.6	0.1	*37%*
Others	248	138	23	*0%*	17.1	19.9	4.4	*33%*	4.5	4.2	0.8	*14%*
Builder Country												
China	580	218	25	*-31%*	23.6	7.7	0.9	*-32%*	11.9	4.2	0.4	*-46%*
South Korea	295	61	12	*18%*	25.0	3.9	1.2	*83%*	10.9	1.8	0.5	*62%*
Japan	531	69	5	*-57%*	23.8	2.8	0.1	*-75%*	12.4	1.4	0.1	*-42%*
Europe	127	91	25	*65%*	14.5	18.1	4.2	*38%*	2.7	3.5	0.8	*37%*
Other	157	44	2	*-73%*	5.3	1.5	0.1	*-75%*	2.3	0.6	0.0	*-52%*



*Year-to-date contracting, annualised.



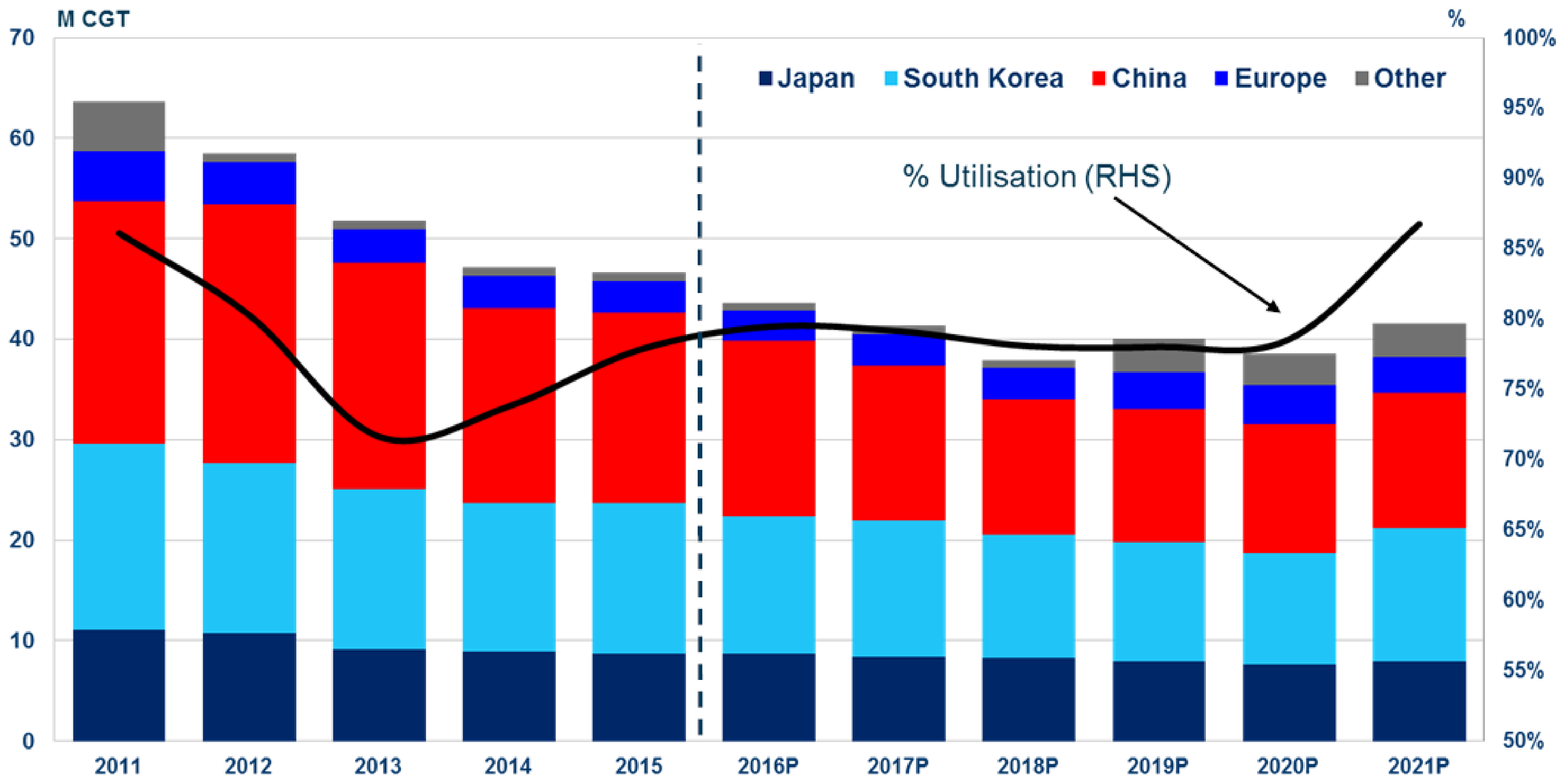
Source: Clarksons March 2017

CARGOTEC

Shipbuilding capacity and utilisation scenario

Since peak shipyard output in 2010 (in CGT terms), it is estimated that the global shipbuilding capacity has declined 22%.

Significant downward revision in 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 2020.



Source: Clarksons September 2016

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