

An aerial photograph of a complex highway interchange with multiple lanes and a central pond. The image is used as a background for the presentation slide.

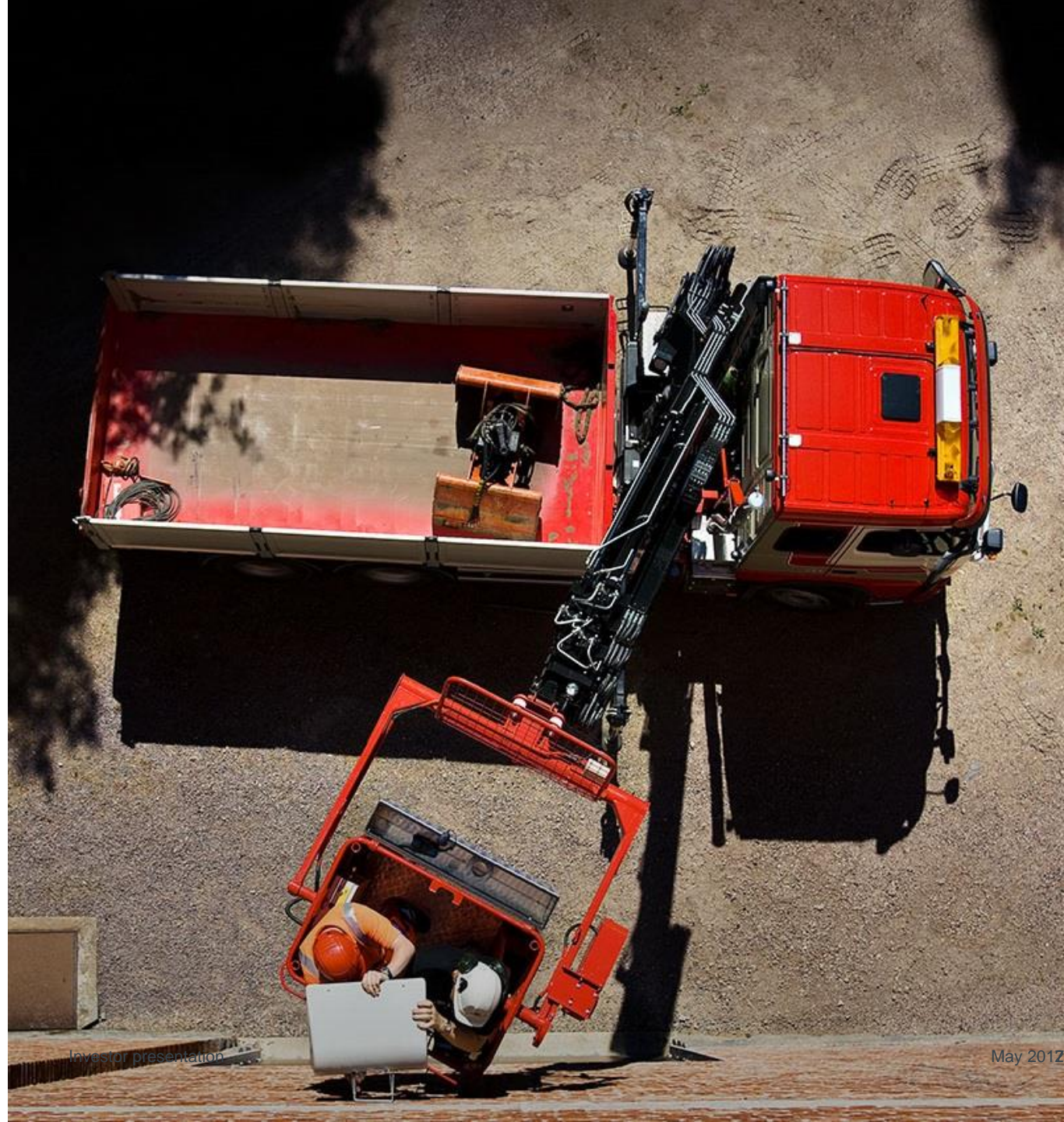
Investor presentation, May 2017

# Becoming the leader in intelligent cargo handling



# Content

1. Cargotec in brief
2. Investment highlights
3. Kalmar
4. Hiab
5. MacGregor
6. Q1 2017 financials
7. Appendix





# 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%

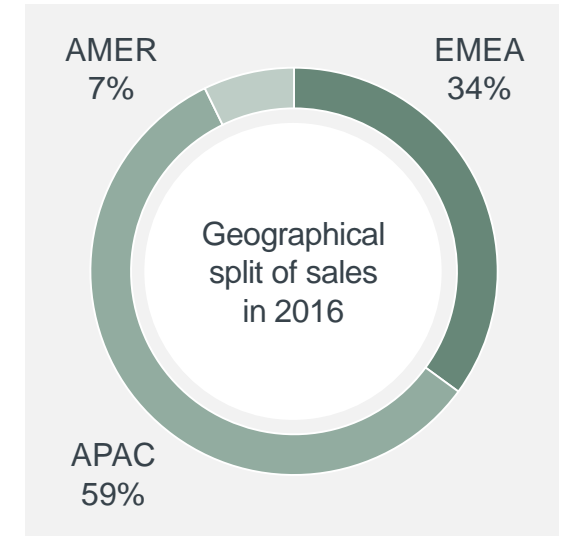
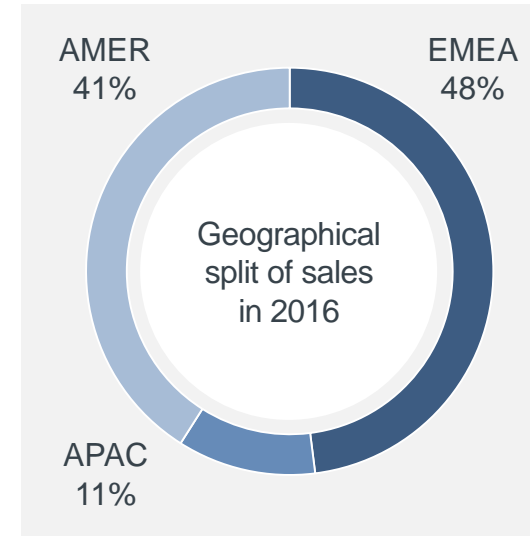
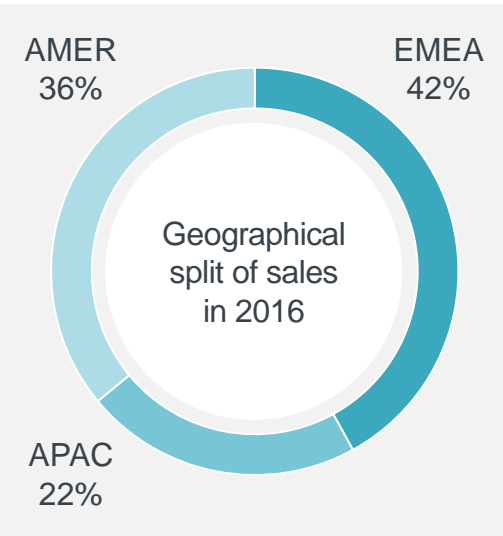
Services: 22%

## 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

## Global main competitors



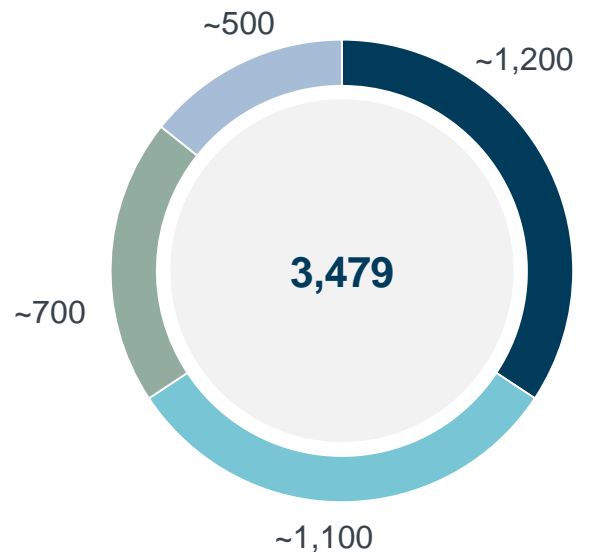
## Other competitors



# Cargotec's portfolio is well diversified

## Net sales\*, Q2/16 – Q1/17

EUR million



■ Kalmar equipment  
■ Hiab  
■ MacGregor  
■ Kalmar APD and software

Kalmar software (Navis) and Automation and Projects division

MacGregor

Hiab

Kalmar equipment and service (excluding Automation and Projects Division & Navis)

Trend in orders, last 12 months



-36%

+4%



Profitability: EBIT margin, last 12 months

Low due to long term investments

1.5%

13.9%

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 cyclicalities
4. Capitalizing global opportunities for future automation and software growth
5. On track for profitability improvement and to reach financial targets





# 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

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### Must-wins

World class service offering

Lead digitalisation

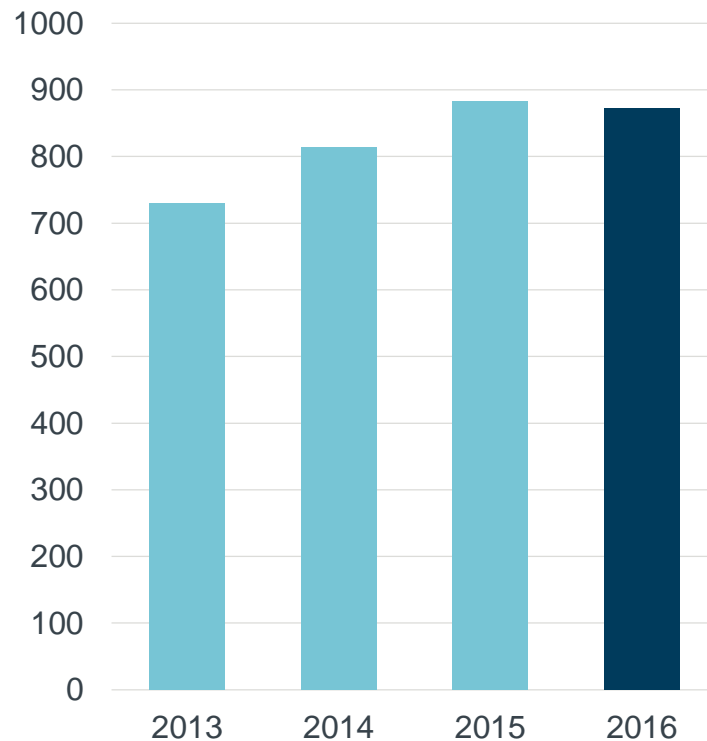
Build word class leadership



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

## 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 cyclicalality

## 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:

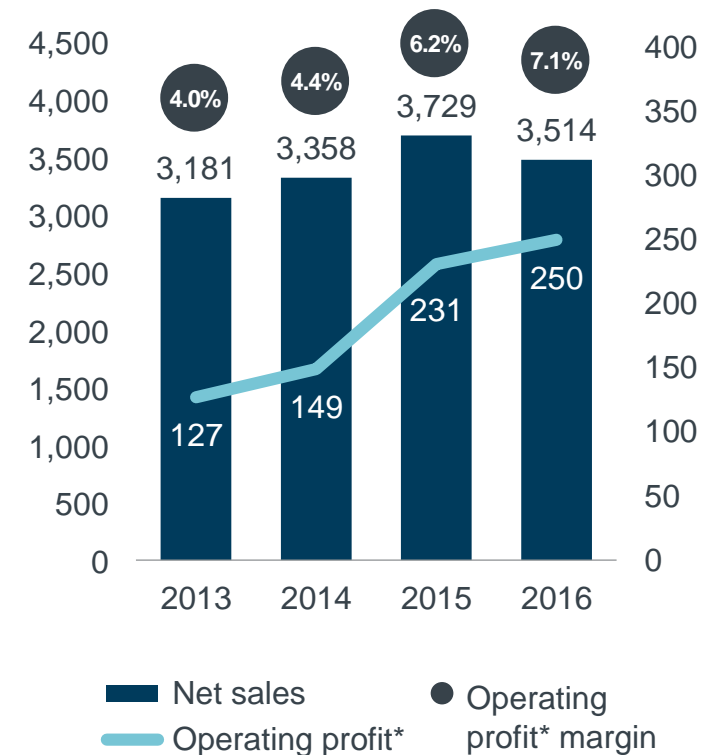
- 2017 EUR 25 million (MacGregor)
- 2017 Interschalt EUR 2 million
- 2018 EUR 13 million (Lidhult assembly transfer in Kalmar)
- 2020 EUR 50 million (indirect purchasing and new Business Services operations)

Product re-design and improved project management

Higher operating profit key driver for higher ROCE



## Sales and operating profit development



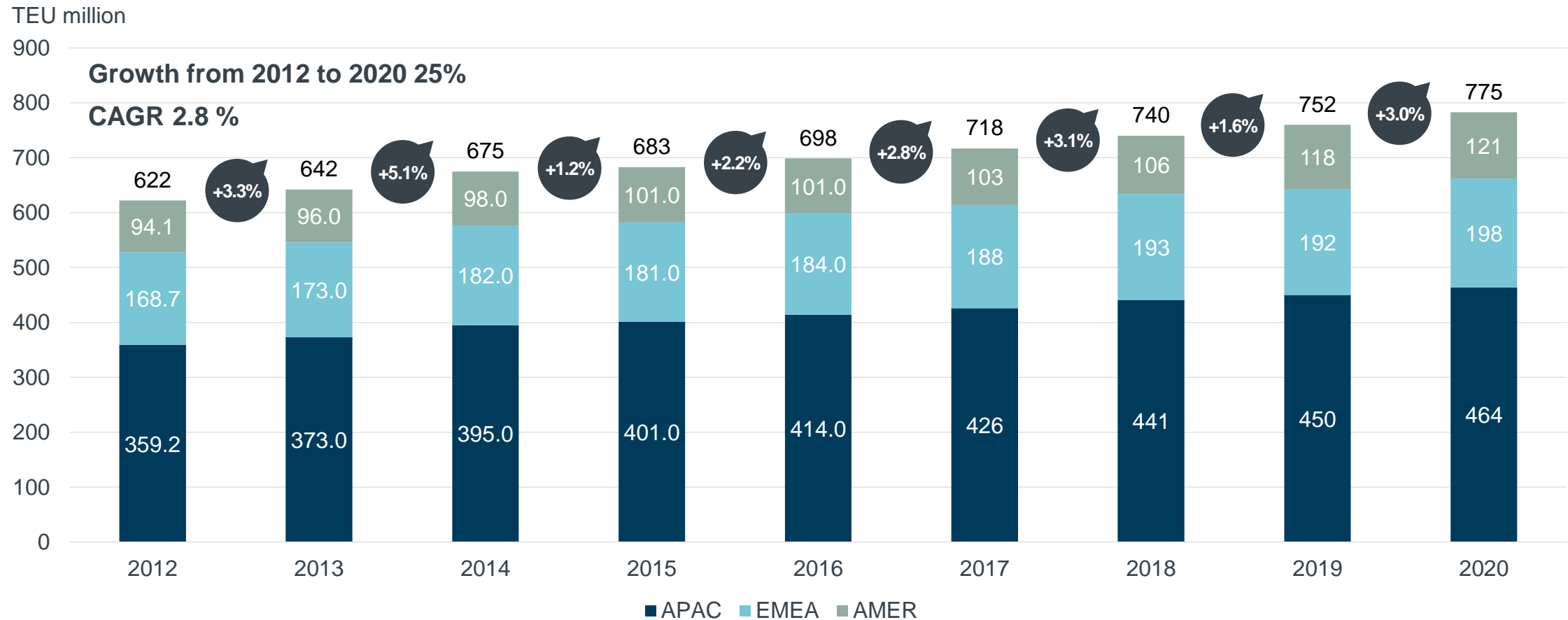
\*excluding restructuring costs

# Kalmar



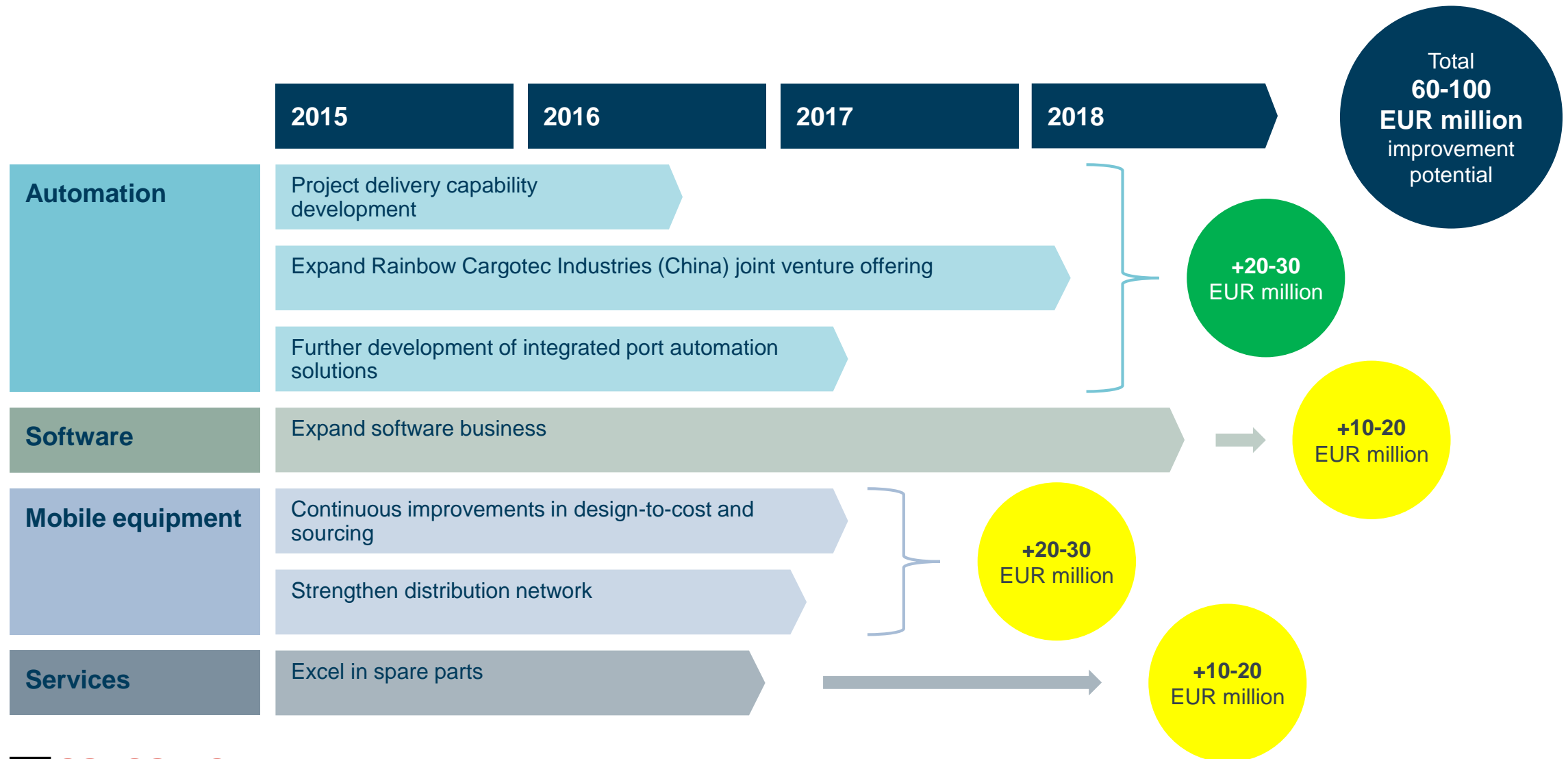


# Container throughput still forecasted to grow year on year

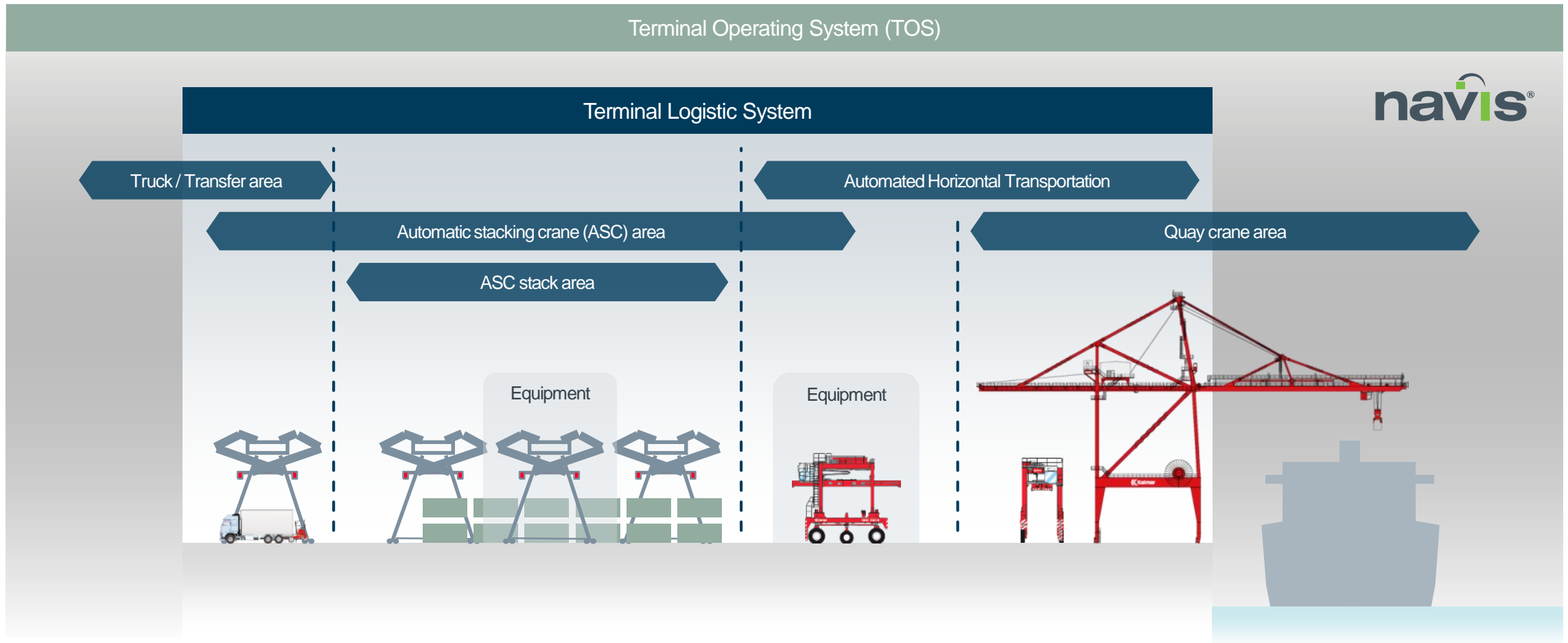


Source: Drewry: Container forecaster Q1 2017  
(Estimates for 2018-2020 from Drewry Container forecaster Q3 2016, latest update available)

# Kalmar's profit improvement potential 2016-2018



# Flexible and scalable Navis TOS software





# Kalmar's operating environment



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



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

Navis provides also maritime shipping solutions:

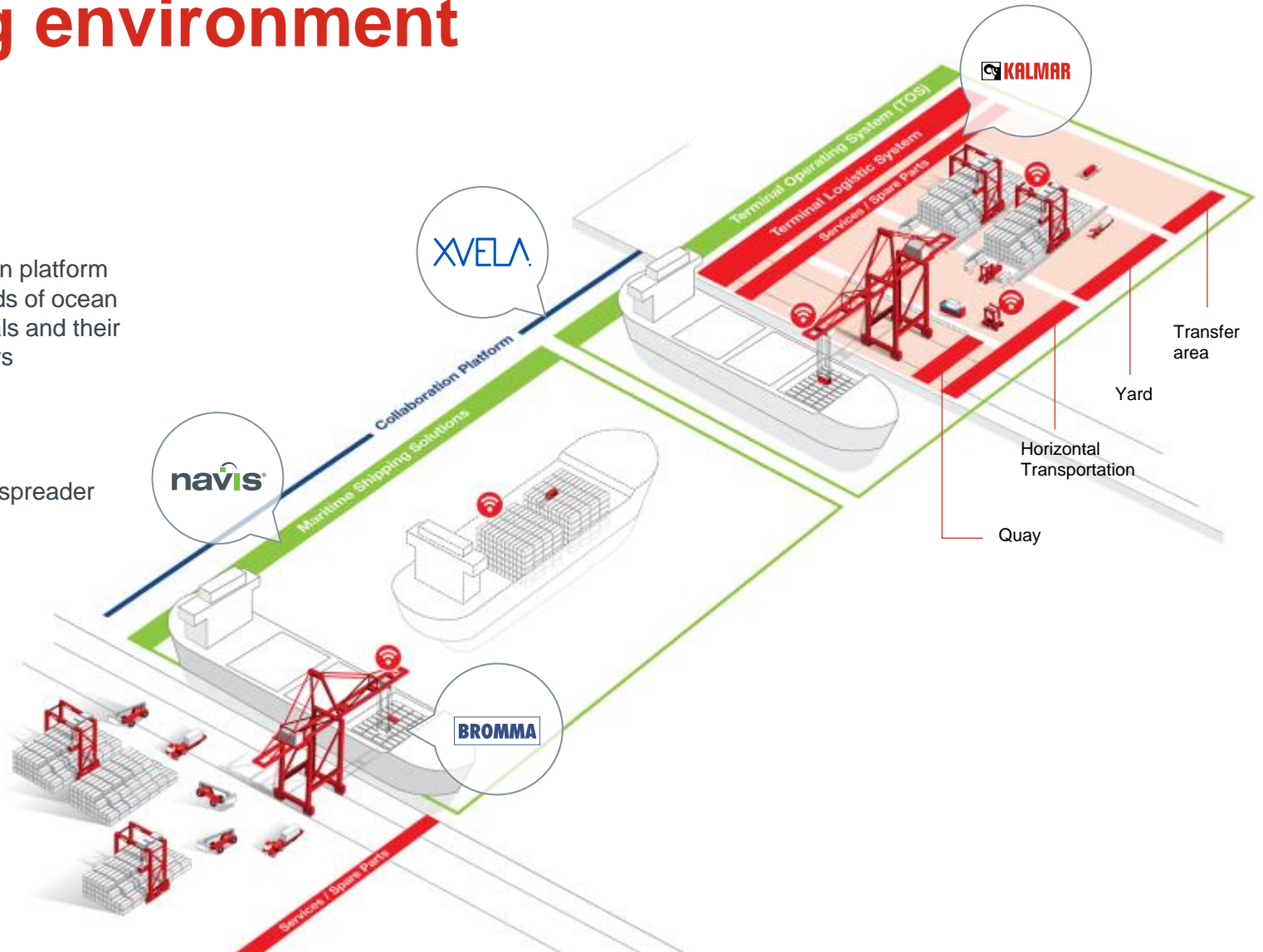
- Stowage planning
- Vessel monitoring
- Loading computer
- Route planning



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



Industry leading spreader manufacturer



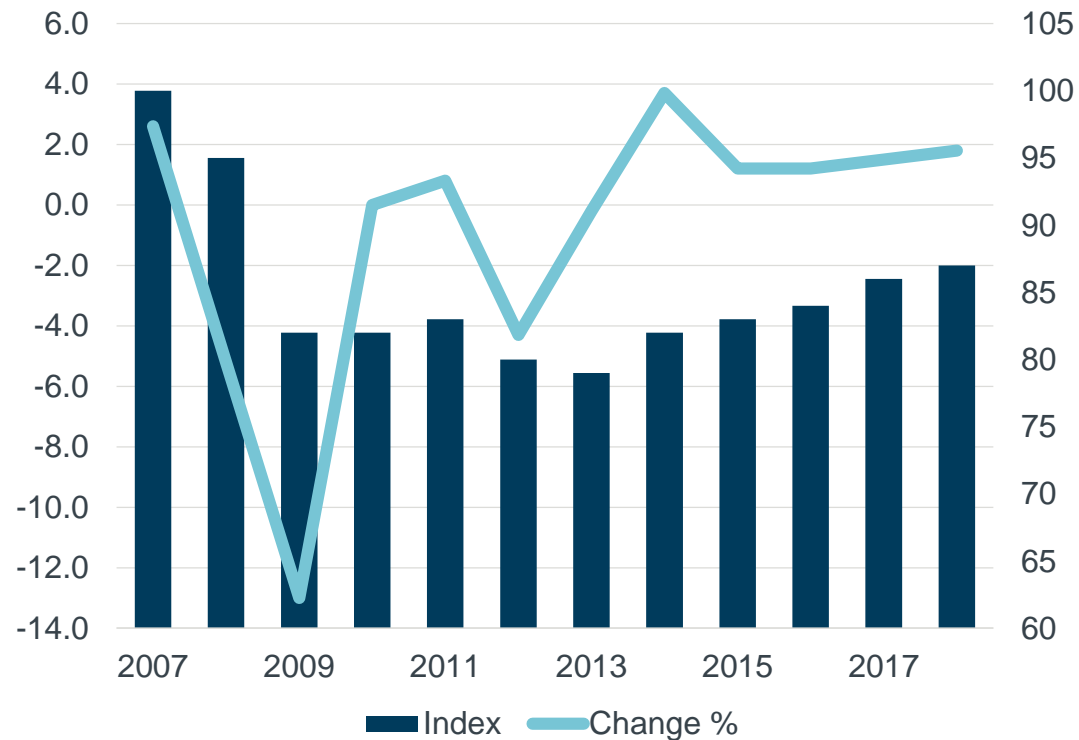
# Hiab



# Construction output driving growth opportunity

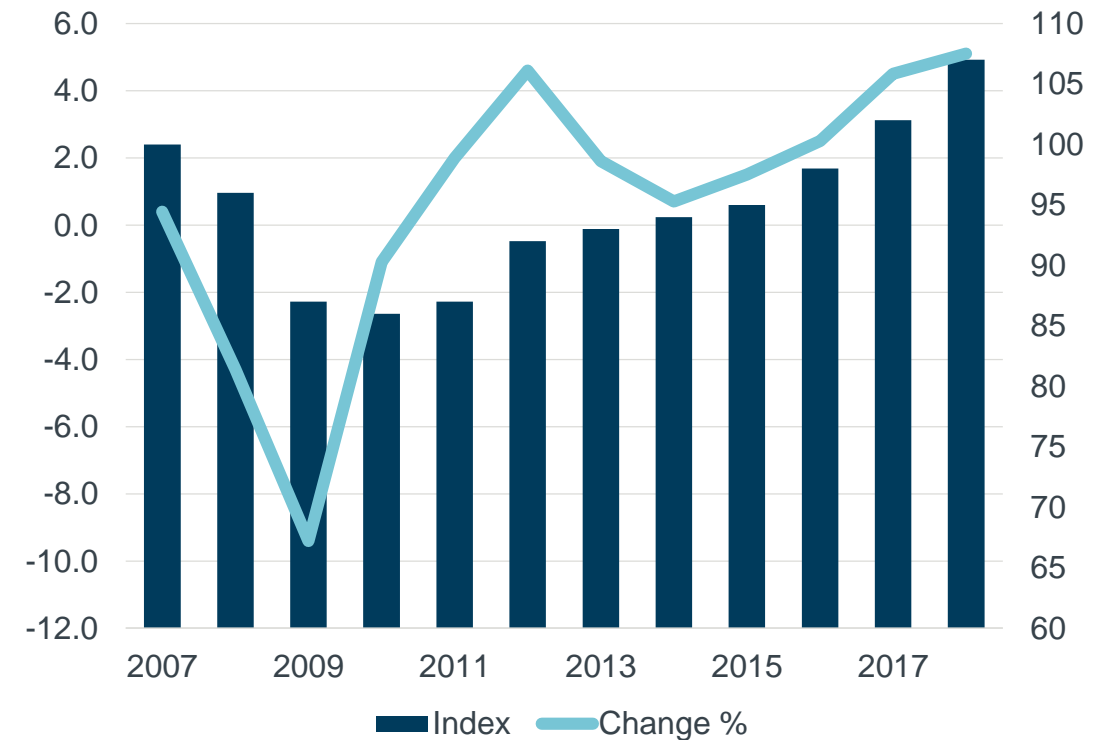
## EMEA construction output

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



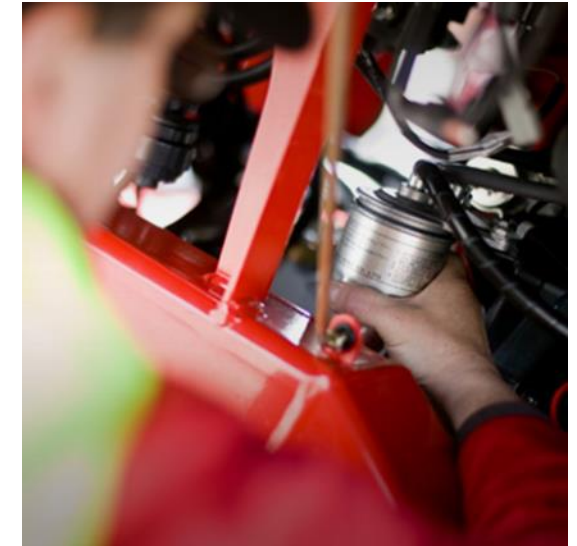
## Tail lifts

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





# 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

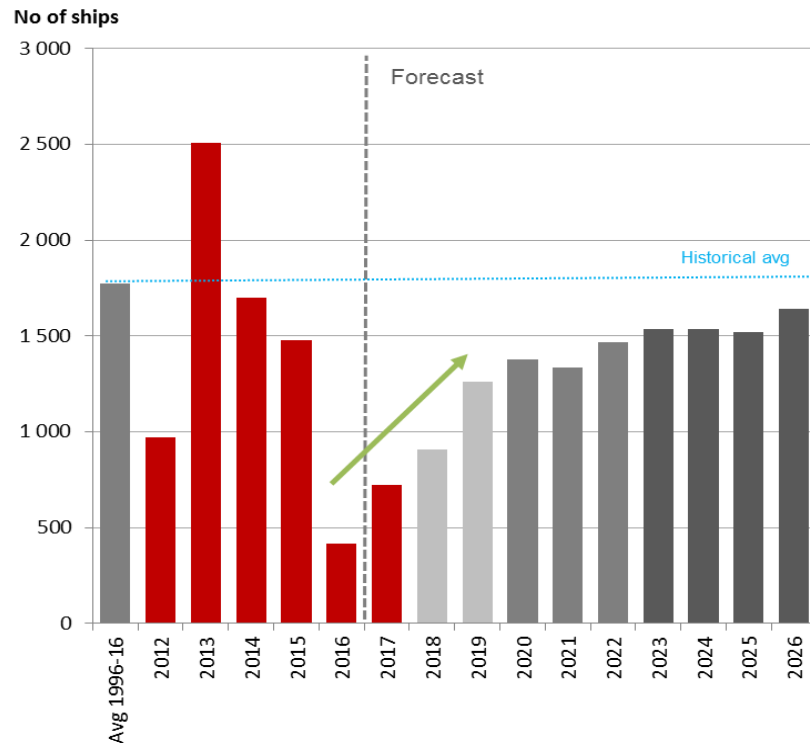




# Merchant shipping and offshore markets may have reached the bottom in orders

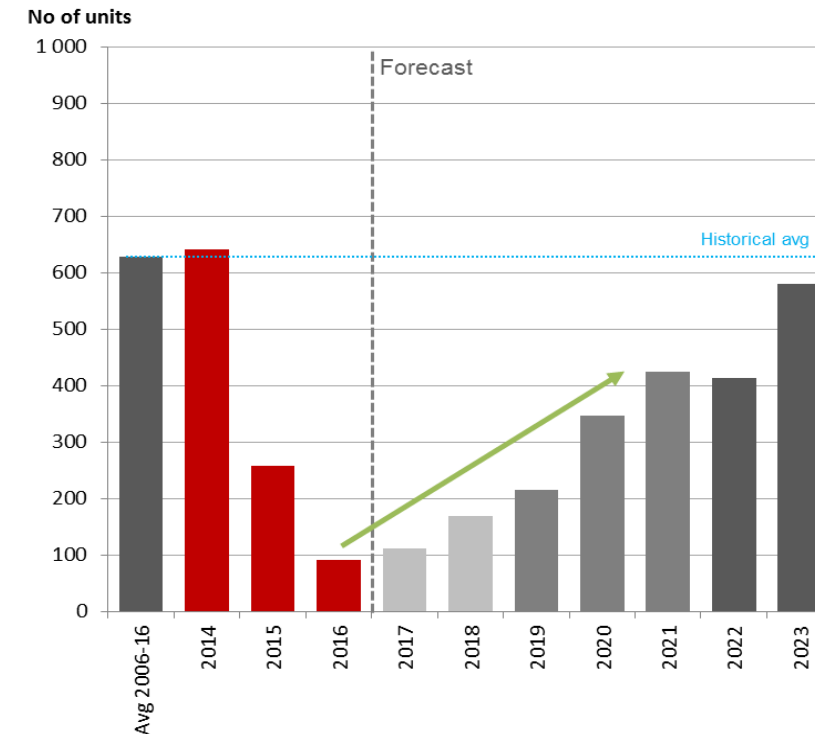
## Long term contracting 2012-2026

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



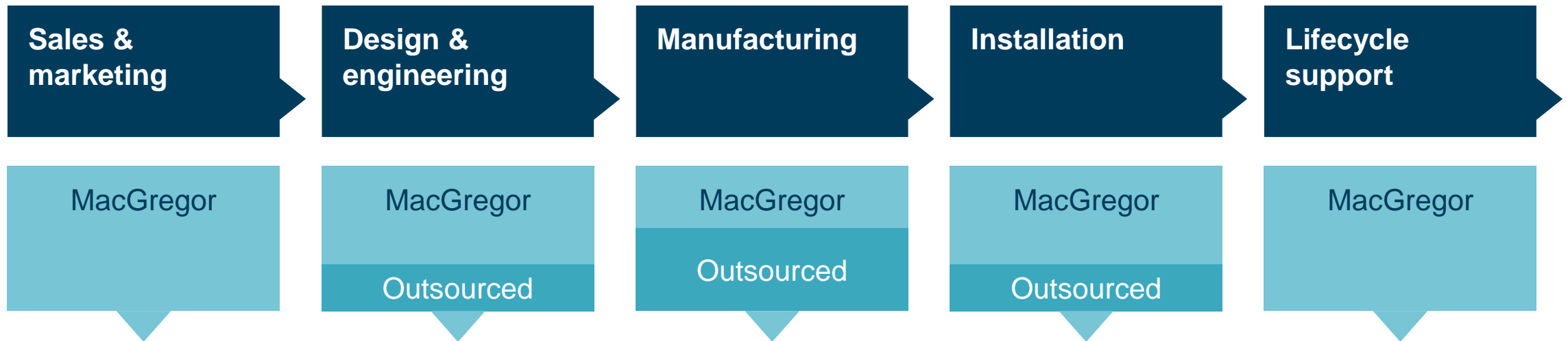
## Long term contracting 2014-2023

Mobile offshore units



Source: Clarkson, March 2017

# MacGregor's asset-light business model gives flexibility



Cost-efficient scaling

**90%** of manufacturing outsourced

**30%** of design and engineering capacity outsourced

# Financials

Cargotec's Q1 2017 interim report





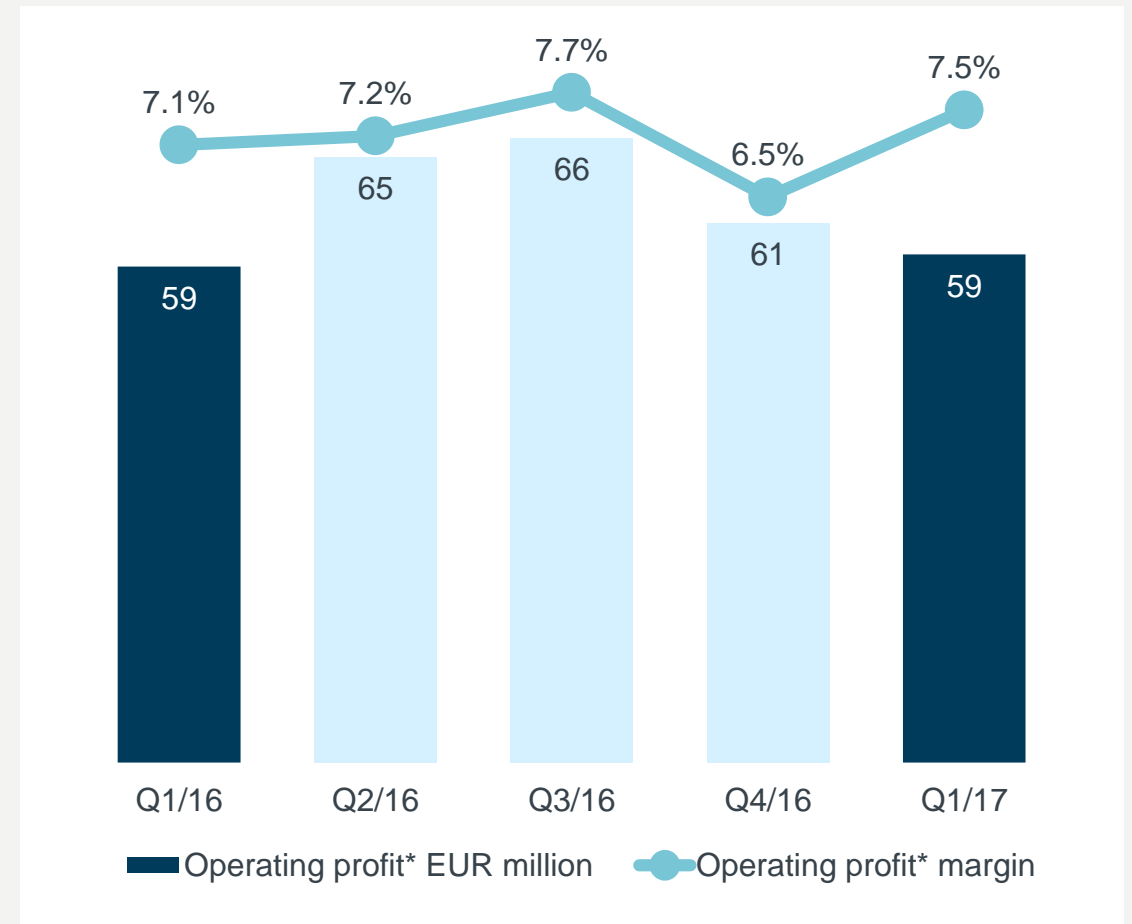
# Highlights of Q1 2017 – Strong start for 2017 in Hiab

Cargotec's operating profit\* margin improved

- Kalmar's profitability improved
- Record high operating profit margin in Hiab
- Lower sales led to decline in EBIT in MacGregor

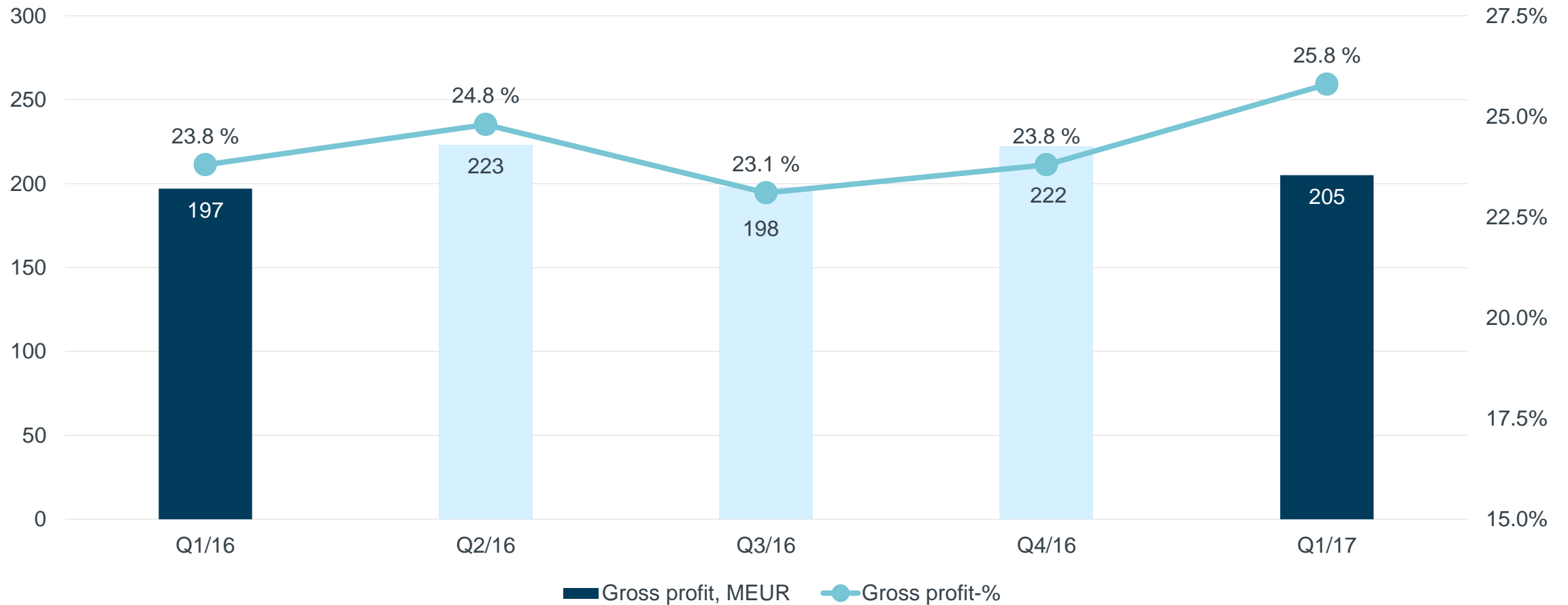
Orders received and net sales grew in Hiab, were in previous year's level in Kalmar and declined in MacGregor

Service and software sales 32% of total sales at EUR 250 (239) million



\*) Excluding restructuring costs

# Gross profit margin improvement continued



# Key figures – Operating profit margin improved

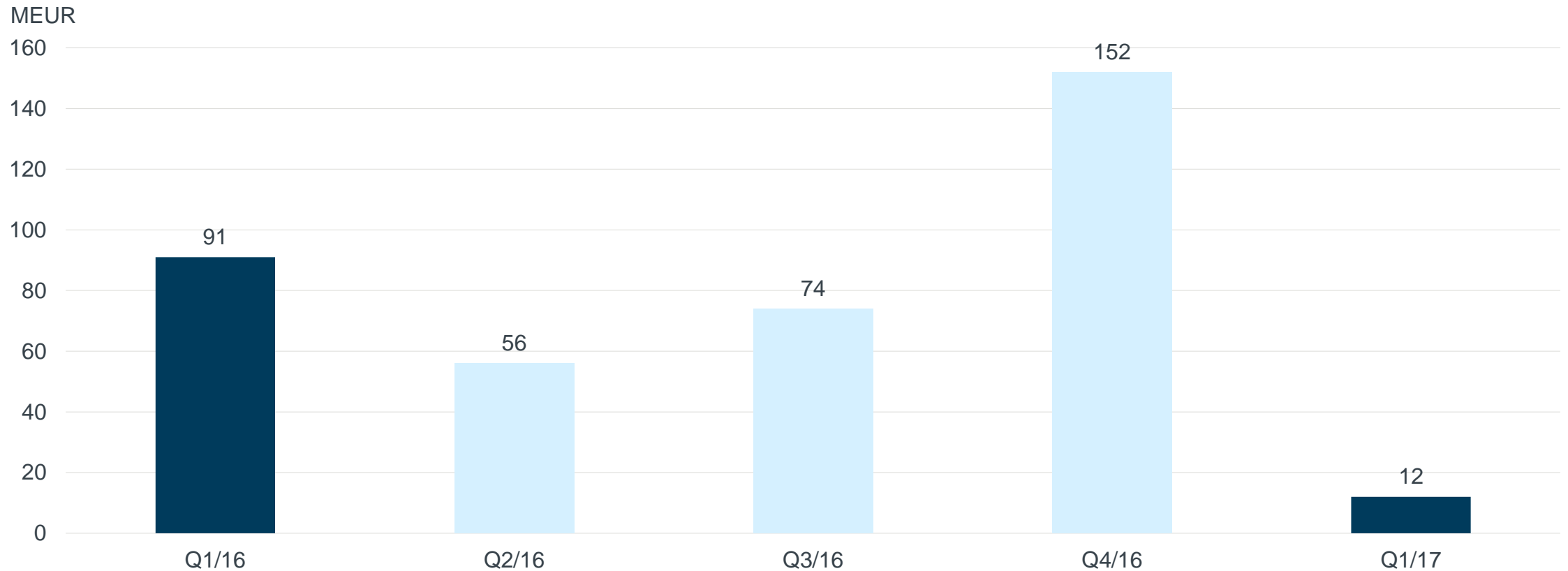
	Q1/17	Q1/16	Change	2016
Orders received, MEUR	857	903	-5%	3,283
Order book, MEUR	1,834	2,095	-12%	1,783
Sales, MEUR	793	828	-4%	3,514
Operating profit, MEUR*	59.2	58.5	+1%	250.2
Operating profit, %*	7.5	7.1		7.1
Cash flow from operations, MEUR	12.5	90.8	-86%	373.0
Interest-bearing net debt, MEUR	631	603	+5%	503
Earnings per share, EUR	0.57	0.61	-6%	1.95
Earnings per share, EUR**	0.60	0.62	-2%	2.54

\*) Excluding restructuring costs

\*\*) Excluding restructuring costs, using reported effective tax rate



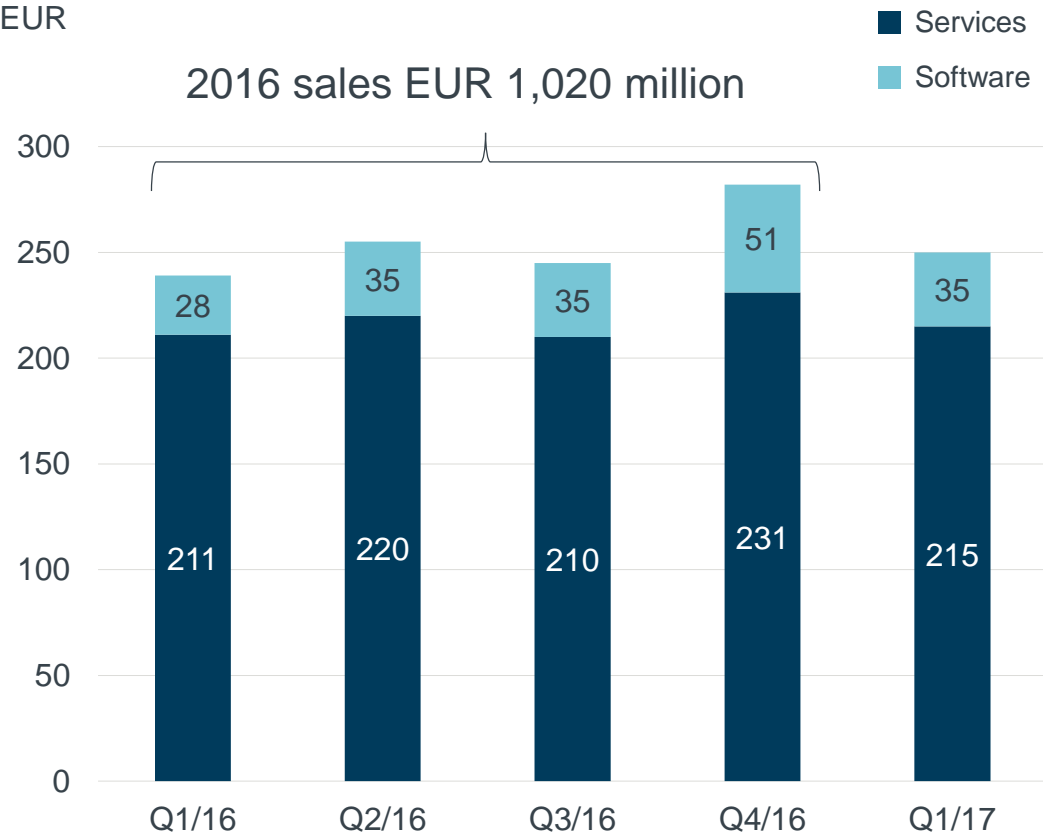
# Cash flow from operations: Q1 2017 impacted negatively by higher working capital



# Services and software as key growth areas

## Services and software\* sales

MEUR



\*Software sales defined as Navis business unit and automation software

## Services and software sales over EUR 1 billion on annual level

- Q1/2017 services: Growth in Hiab (+7%) and Kalmar (+3%), MacGregor (-6%) still suffering from weak market situation
- Software business growth +28%
  - Continued development of offering
- Services and software 32% of Cargotec's sales in Q1



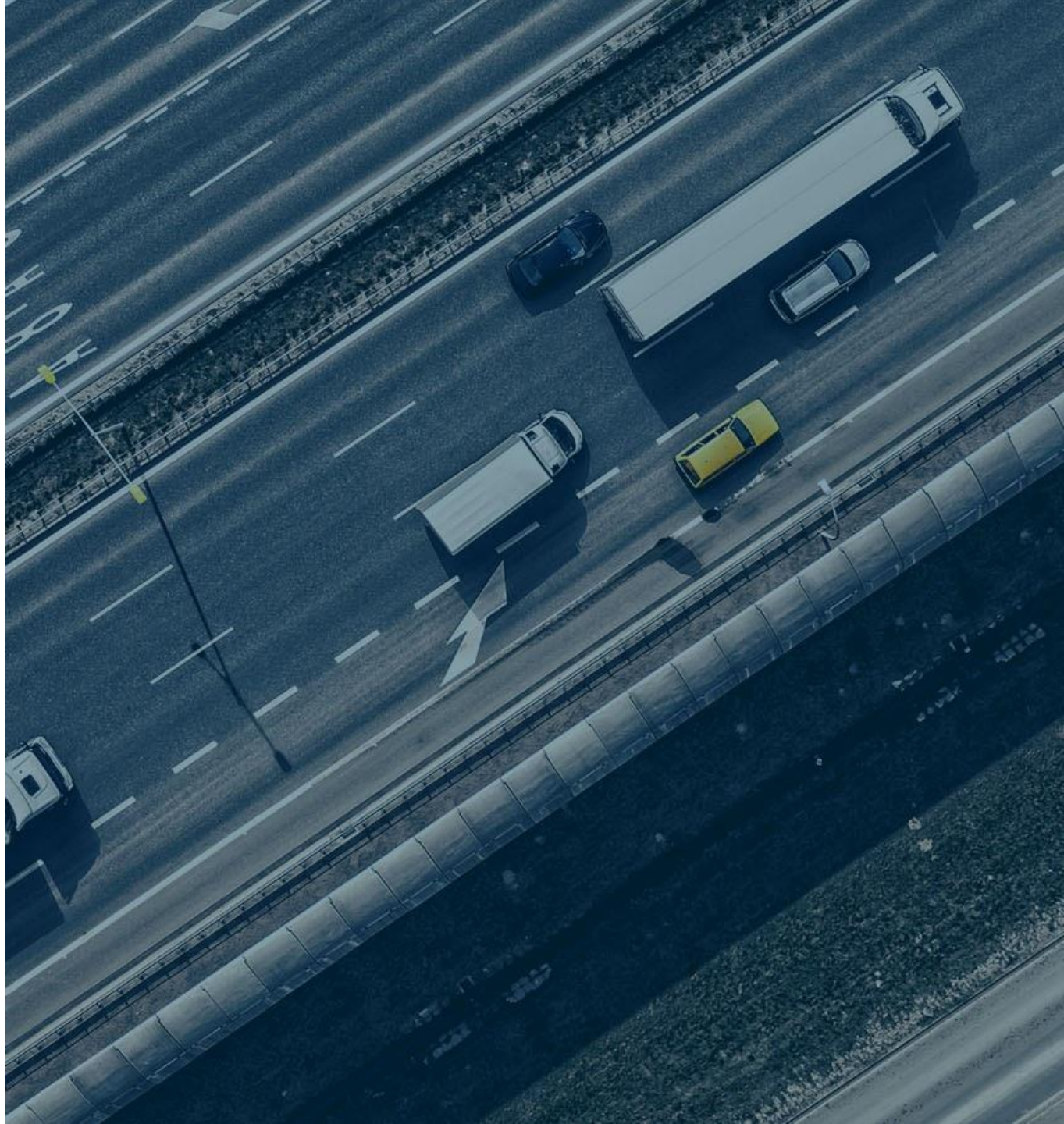
## 2017 outlook – as given 8 February 2017

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

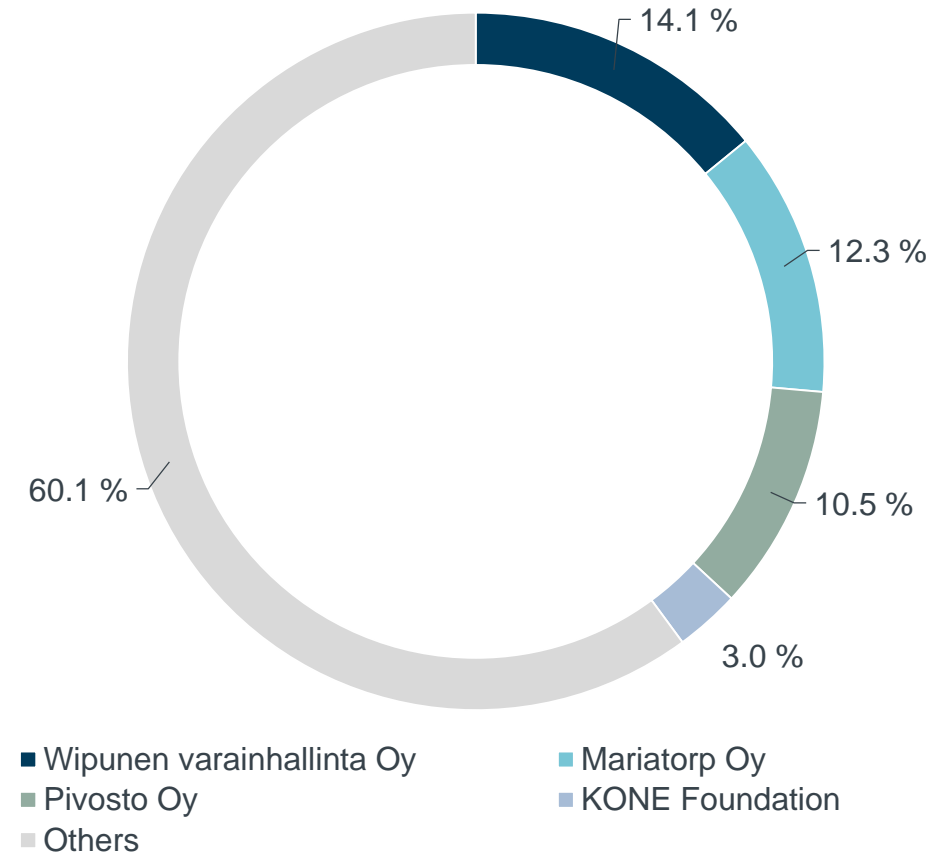


# Largest shareholders

## 30 April 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	1.5	0.7
6. The State Pension Fund	1.3	0.6
7. Varma Mutual Pension Insurance Company	0.8	0.3
8. Herlin Heikki Juho Kustaa	0.6	0.3
9. SEB Finlandia Investment Fund	0.6	0.3
10. Sigrid Jusélius Foundation	0.6	0.2
<b>Nominee registered and non-Finnish holders</b>	<b>30.03</b>	
<b>Total number of shareholders</b>	<b>20,847</b>	

% of shares



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 Q1 2017

## Number of containers handled at ports grew

- Growth continued in Q1/2017
- Strong interest for efficiency improving automation solutions
- Customers' decision making is slow

## Construction activity on good level

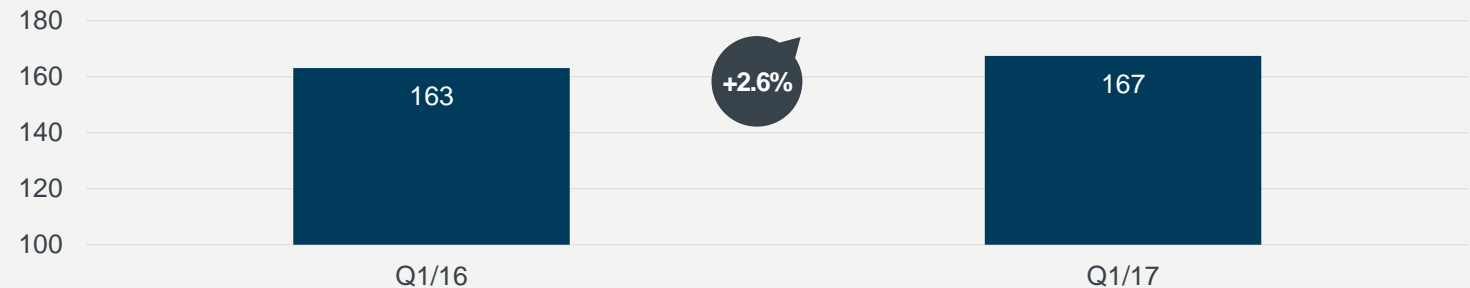
- Good development continued in the US
- Construction market growing in Europe

## Marine cargo handling equipment market still weak

- Market improved in Q1/2017 in both merchant and offshore sector, but orders remained well below historical levels

### Global container throughput (MTEU) – Key driver for Kalmar

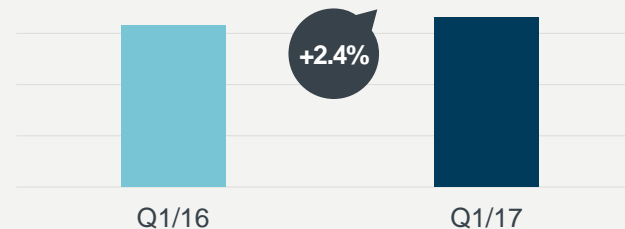
Source: Drewry



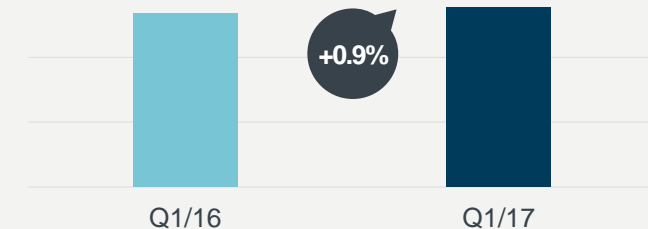
### Construction output – Key driver for Hiab

Source: Oxford Economics

#### United States



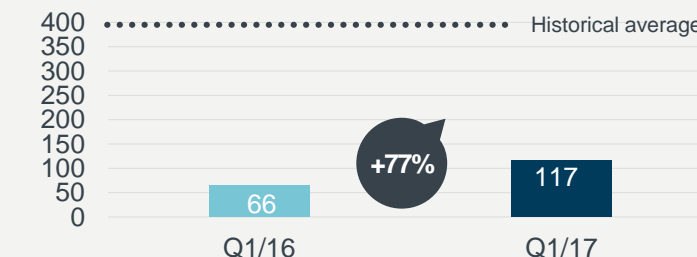
#### Europe



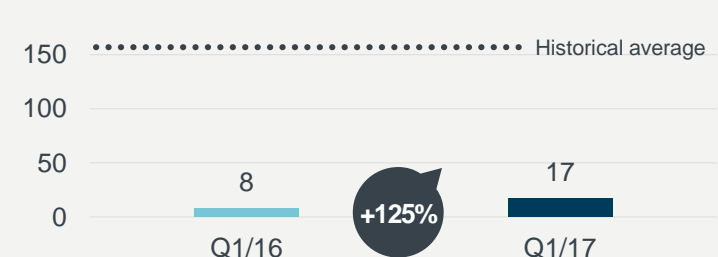
### Long term contracting – Key driver for MacGregor

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

#### Merchant ships > 2,000 gt

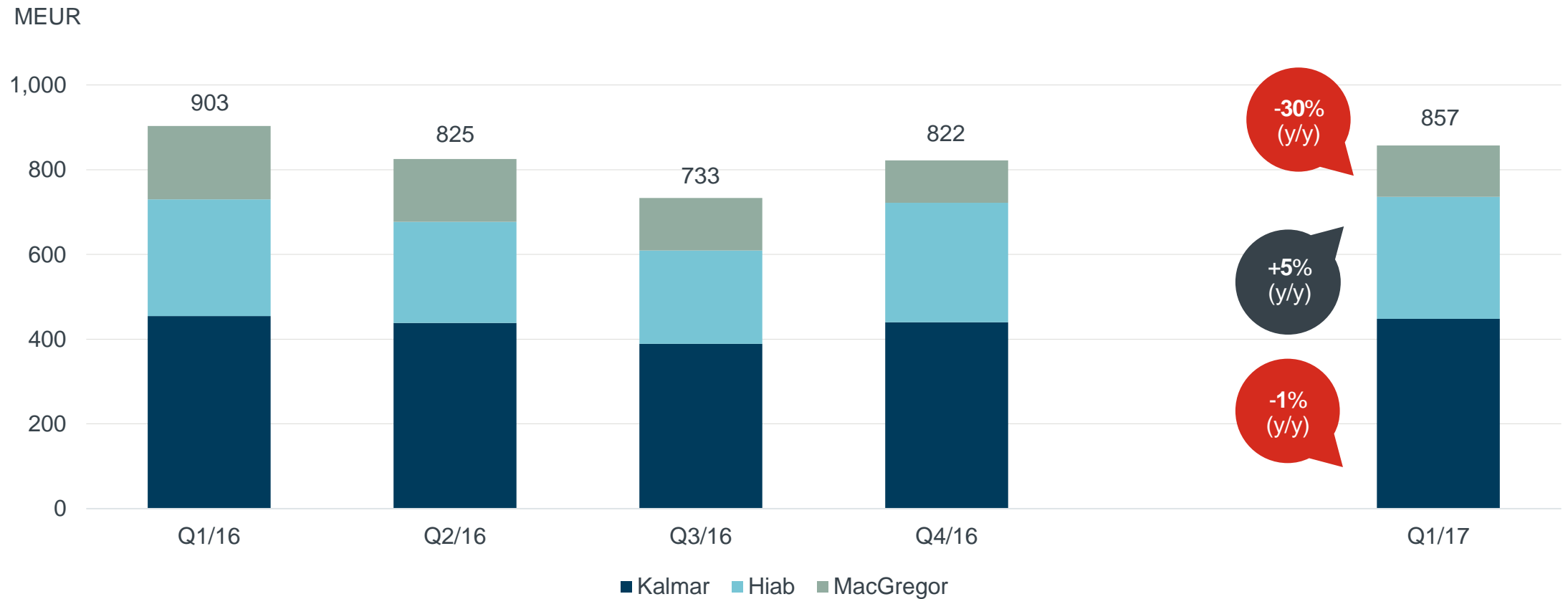


#### Mobile offshore units





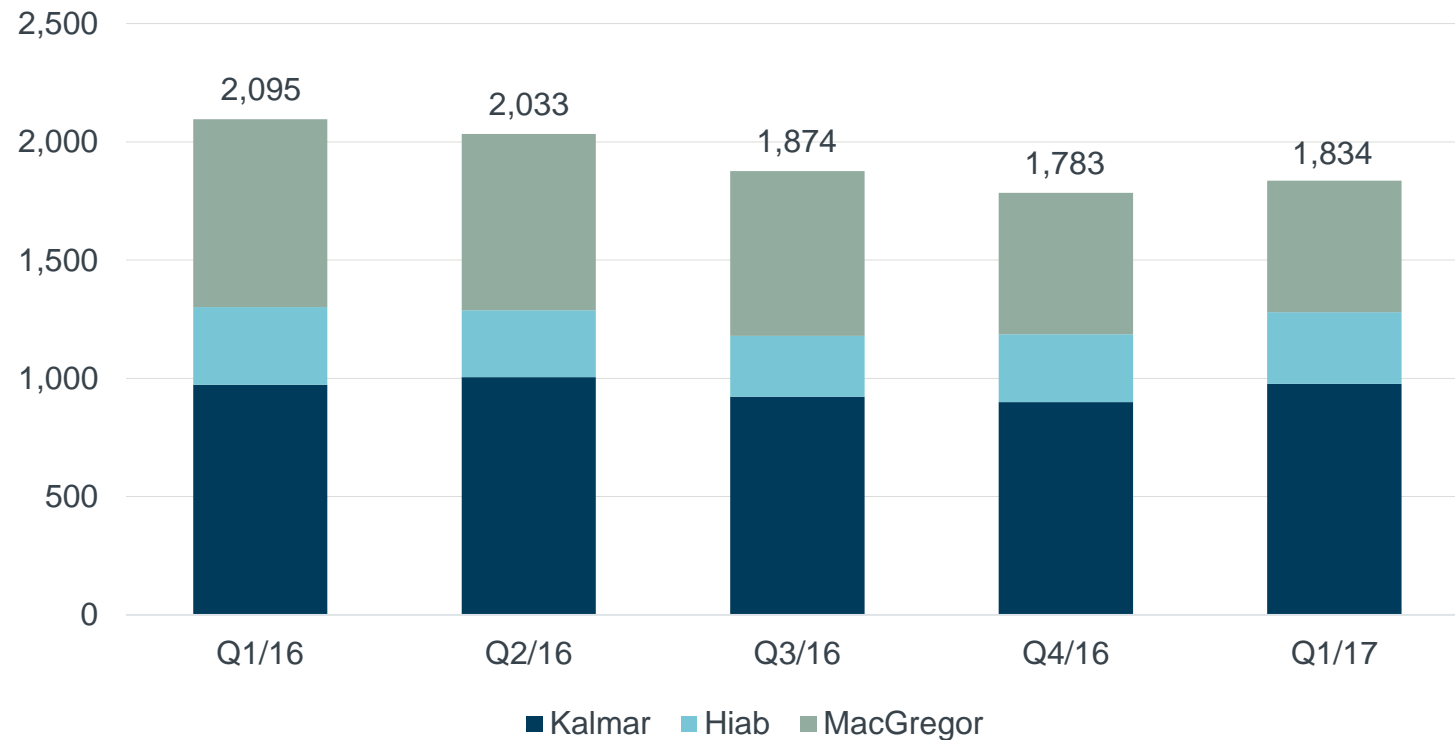
# Orders received: Record quarter in Hiab



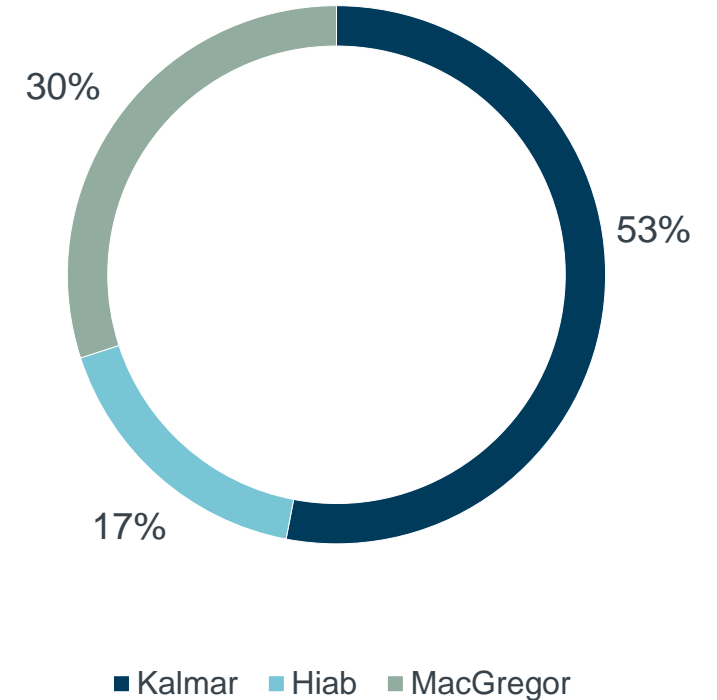
# Order book increased in Kalmar and Hiab compared to 2016 year-end

## Order book

MEUR



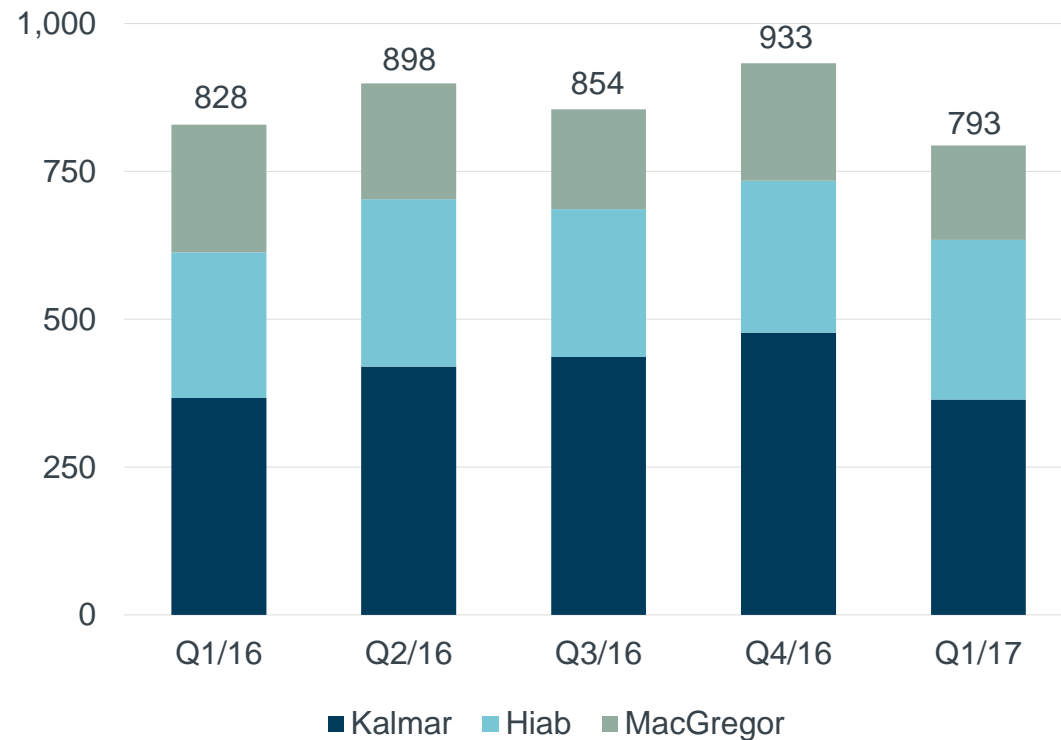
## Order book by reporting segments, Q1 2017



# Operating profit\* improved slightly despite of sales decline

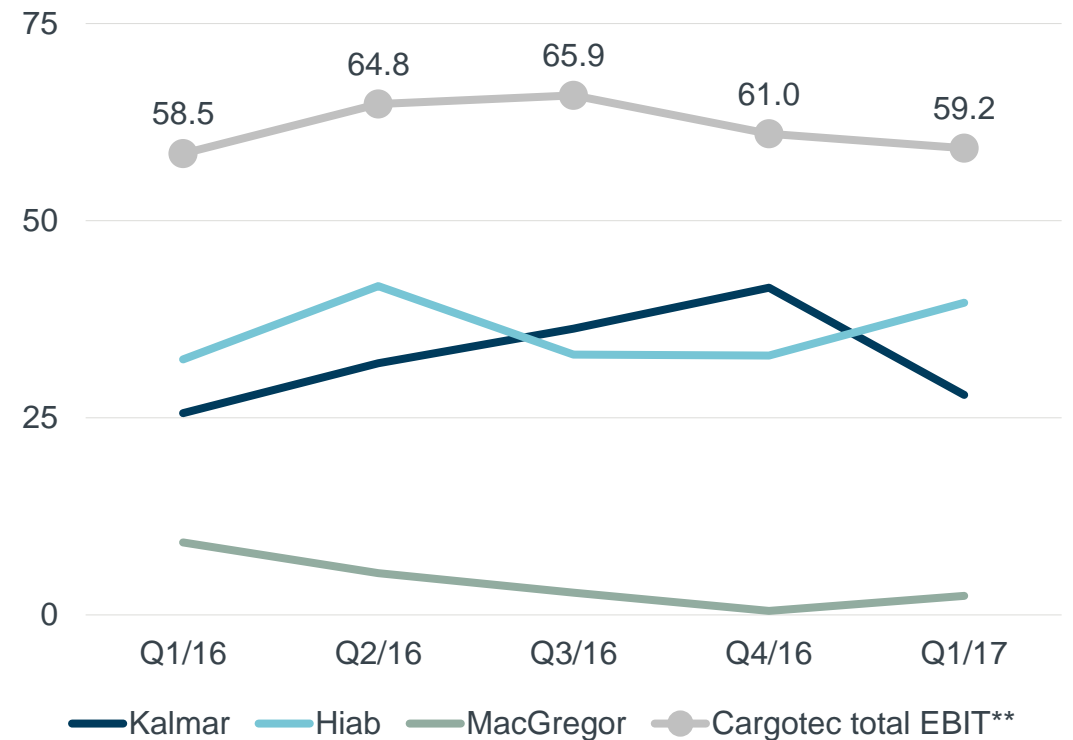
## Sales

MEUR



## Operating profit\*

MEUR



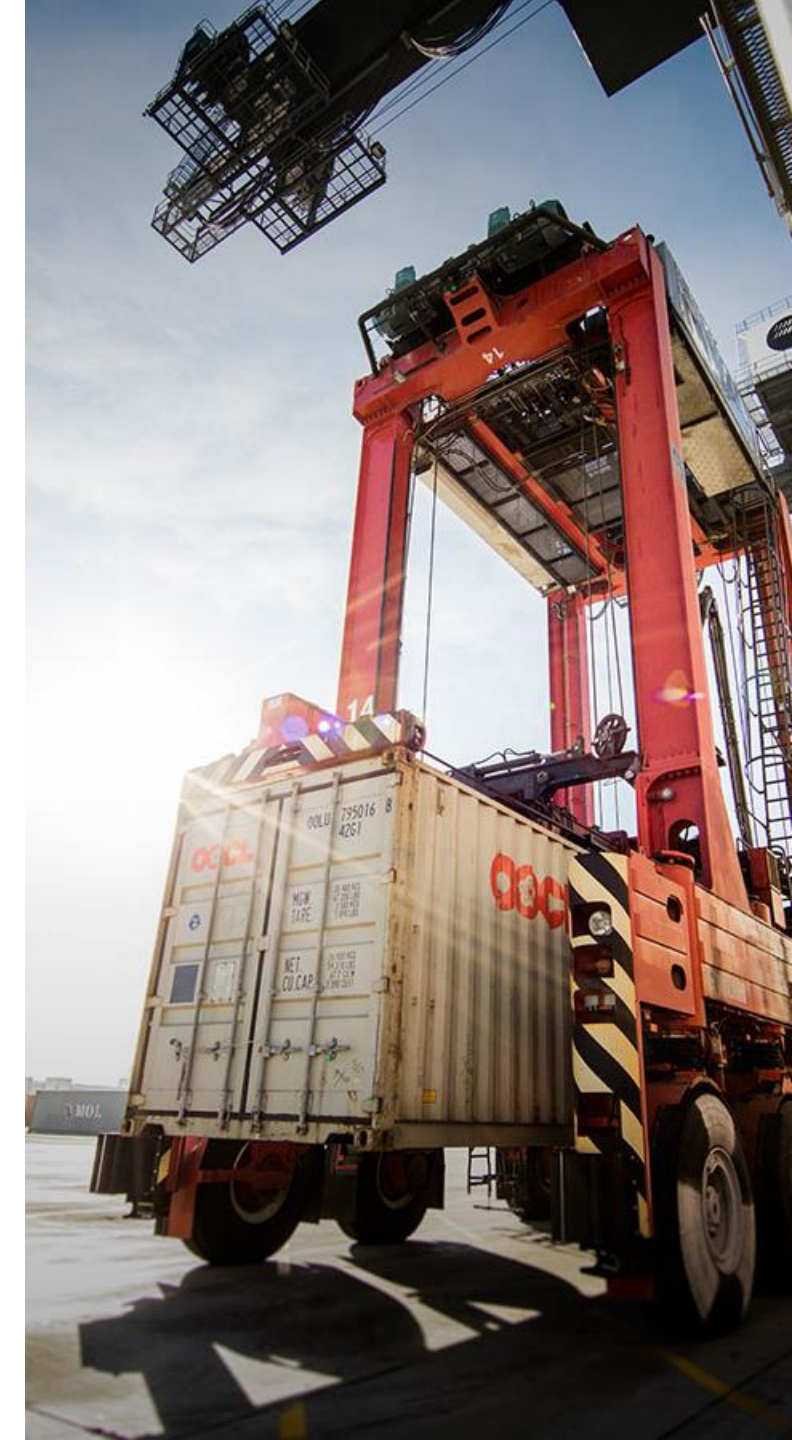
\*) Excluding restructuring costs, \*\*) Including Corporate admin and support



# Kalmar Q1 – Profitability improved

- Orders received increased in Americas and APAC
  - Growth in mobile equipment, Bromma and Navis orders received
- Order book at last year's level
- Service sales increased 3%, software sales growing
- Profitability increased due to more favorable sales mix, renewed products and more efficient project management

MEUR	Q1/17	Q1/16	Change
Orders received	448	454	-1%
Order book	977	973	0%
Sales	364	367	-1%
Operating profit*	27.9	25.6	+9%
Operating profit margin*	7.7%	7.0%	



# Hiab Q1 – Record high orders received and EBIT-margin\*

- Orders received were record high, growth in all regions
  - Growth in tail lifts, loader cranes, services and demountables
- Sales grew in loader cranes, demountables, truck mounted forklifts and services
- Operating profit improvement driven by higher volumes and new products

MEUR	Q1/17	Q1/16	Change
Orders received	288	275	+5%
Order book	302	328	-8%
Sales	270	246	+10%
Operating profit*	39.6	32.4	+22%
Operating profit margin*	14.6%	13.2%	



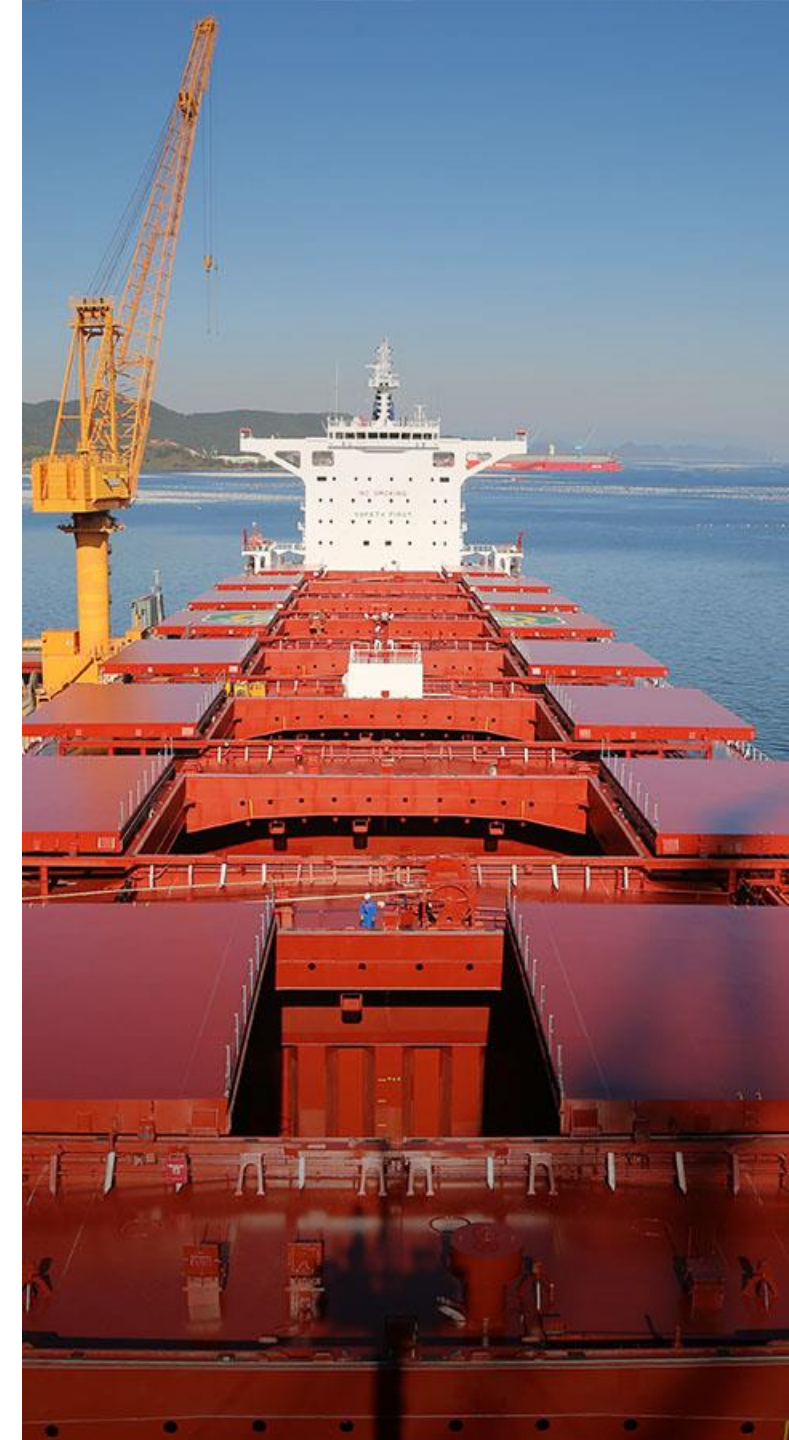


# MacGregor Q1 – Operating profit\* remained positive due to cost savings

- Orders received decreased in EMEA and APAC and increased from low levels in Americas
  - 21% growth from Q4/16 in total orders received
  - Services orders received increased
- Good sales growth in RoRo, other divisions declined
- Operating profit declined, but stayed positive due to cost savings

MEUR	Q1/17	Q1/16	Change
Orders received	121	173	-30%
Order book	556	795	-30%
Sales	160	216	-26%
Operating profit*	2.4	9.2	-74%
Operating profit margin*	1.5%	4.2%	

\*) Excluding restructuring costs



# Issued bonds improved maturity profile

**Net debt EUR 631 million  
(31 Dec 2016: 503)**

- Average interest rate 1.8% (2.3%)
- Net debt/EBITDA 2.2 (1.8)

**Total equity EUR 1,386 million  
(1,395)**

- Equity/total assets 38.7% (39.1%)

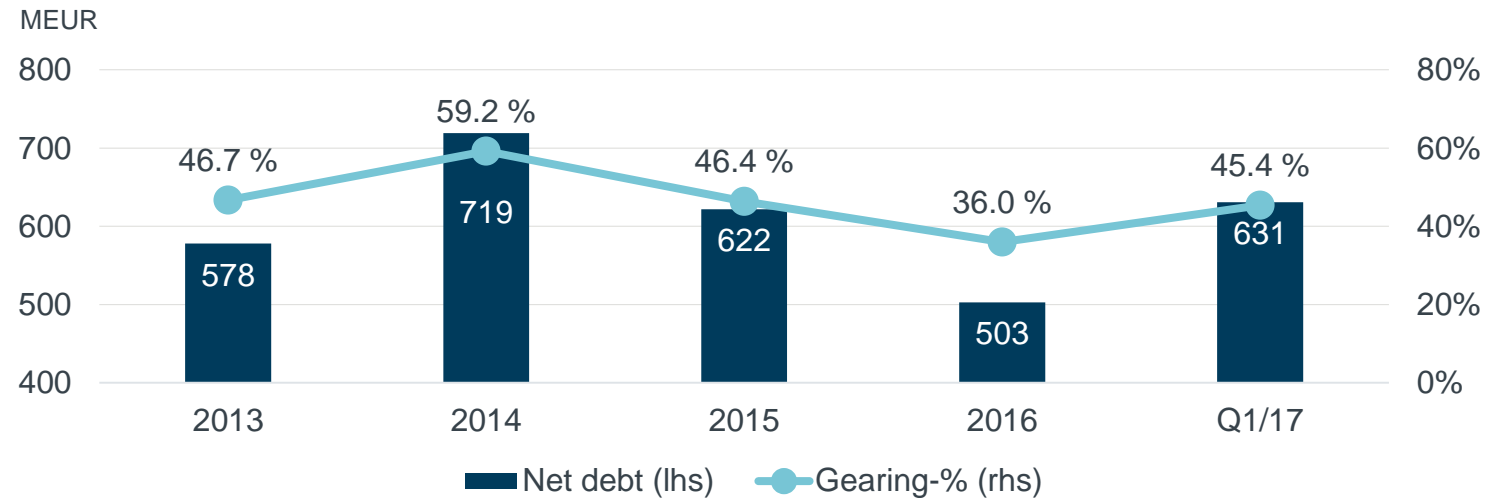
## Well diversified loan portfolio:

- New EUR 250 million bond issue in Q1/17
- Bonds EUR 464 million
- Bank loans EUR 425 million
- Undrawn facilities EUR 300 million

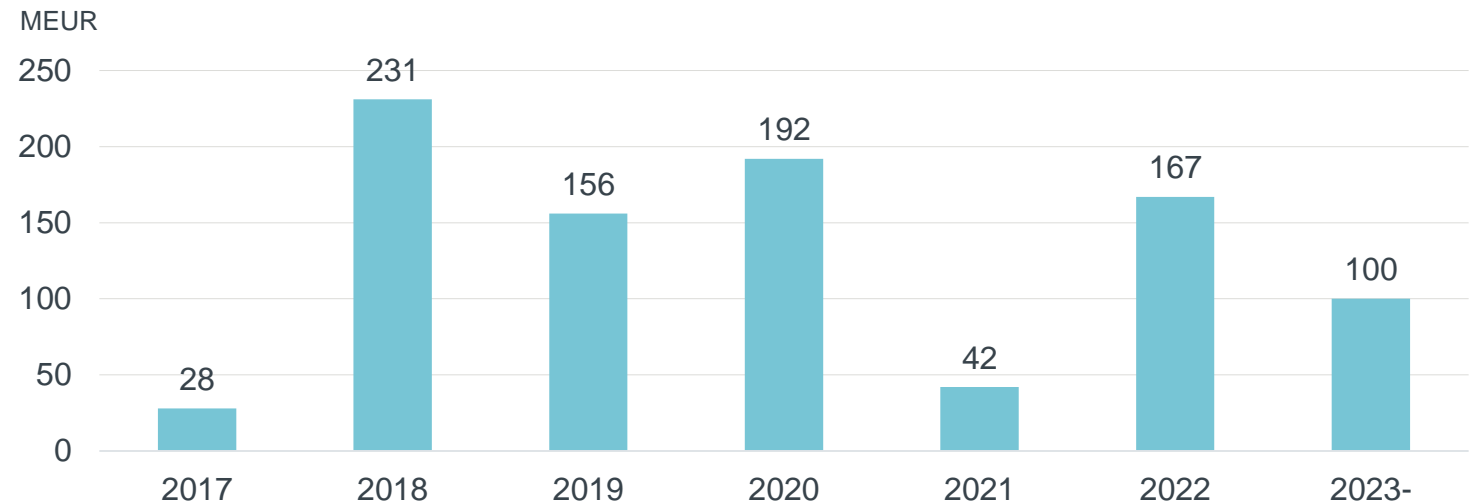
## Balanced maturity profile

- EUR 28 million loans maturing in 2017

### Net debt and gearing



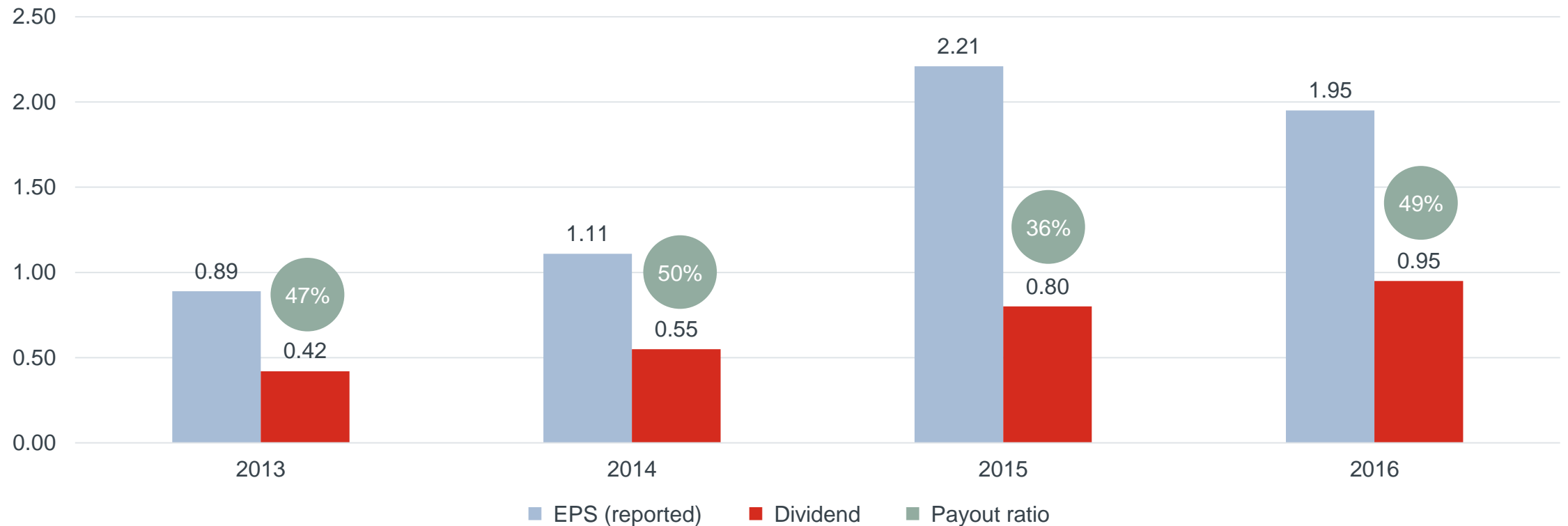
### Maturity profile





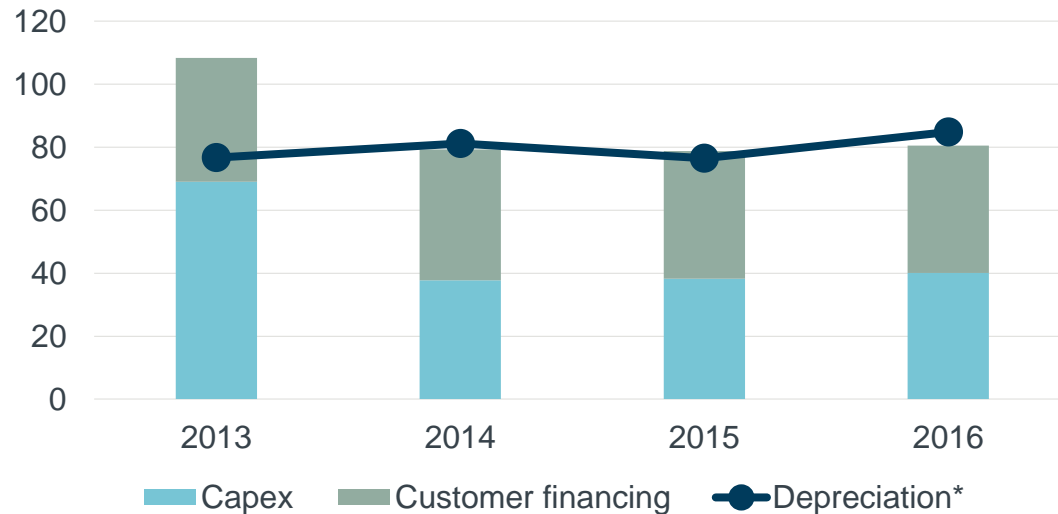
# Solid track record to increase the dividend

## EUR 0.95 dividend per B share for 2016



# Capex and R&D

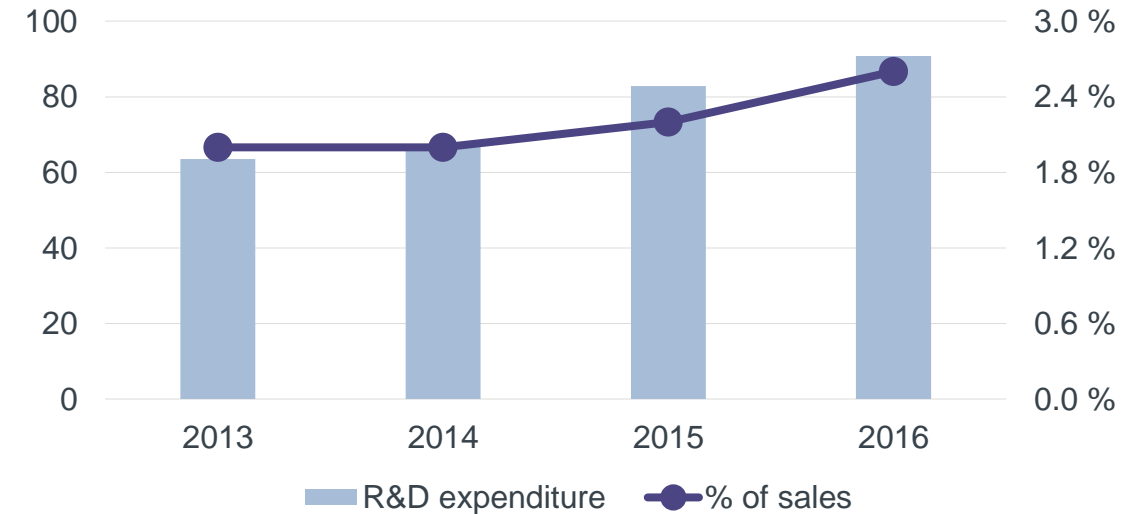
## Capital expenditure



### Main capex investments:

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

## Research and development

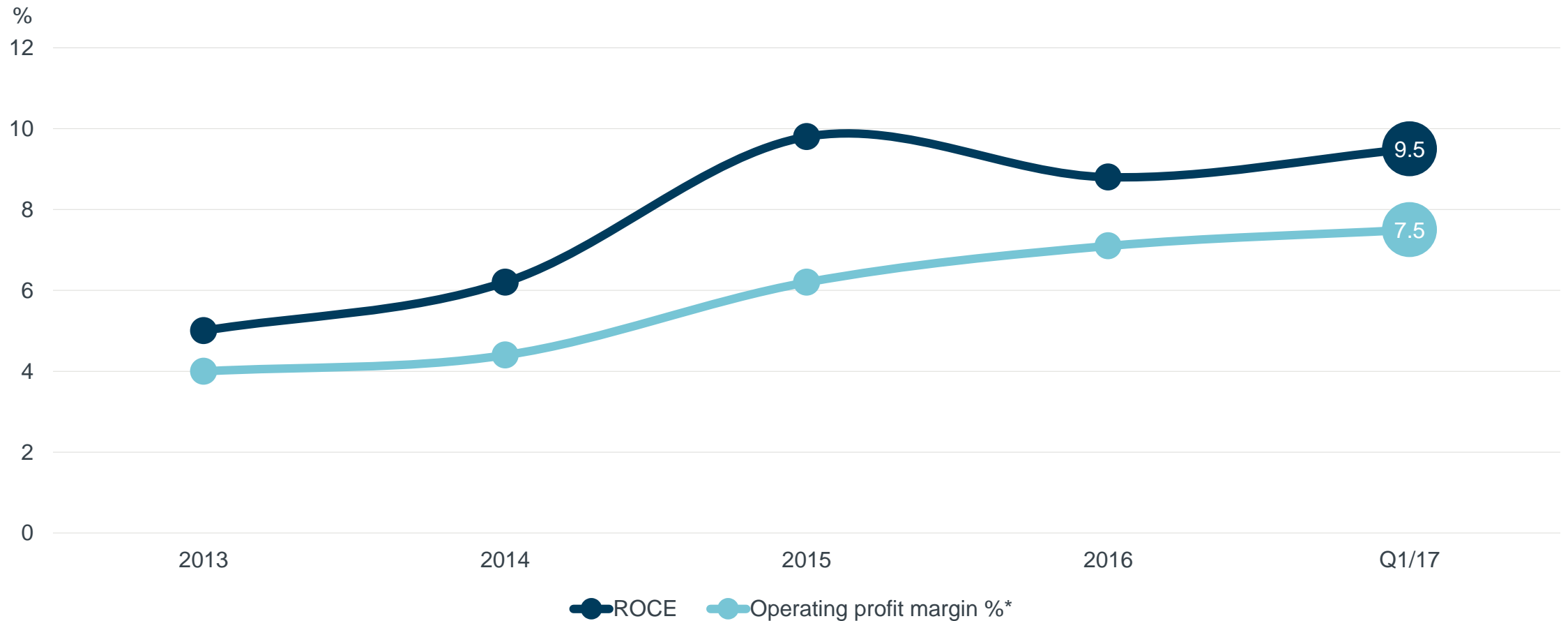


### R&D investments focused on

- Digitalisation
- Competitiveness and cost efficiency of products

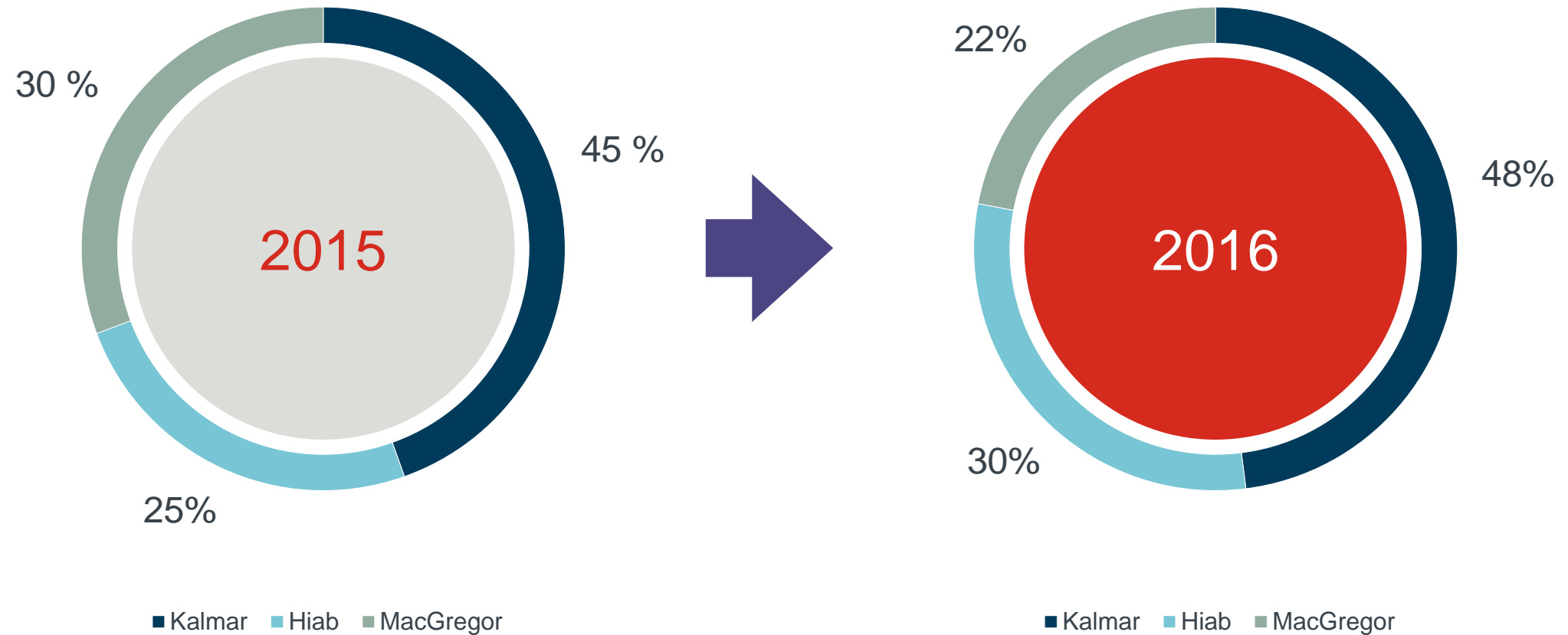
\*) Including amortisations and impairments

# Operating profit\* margin and ROCE improved



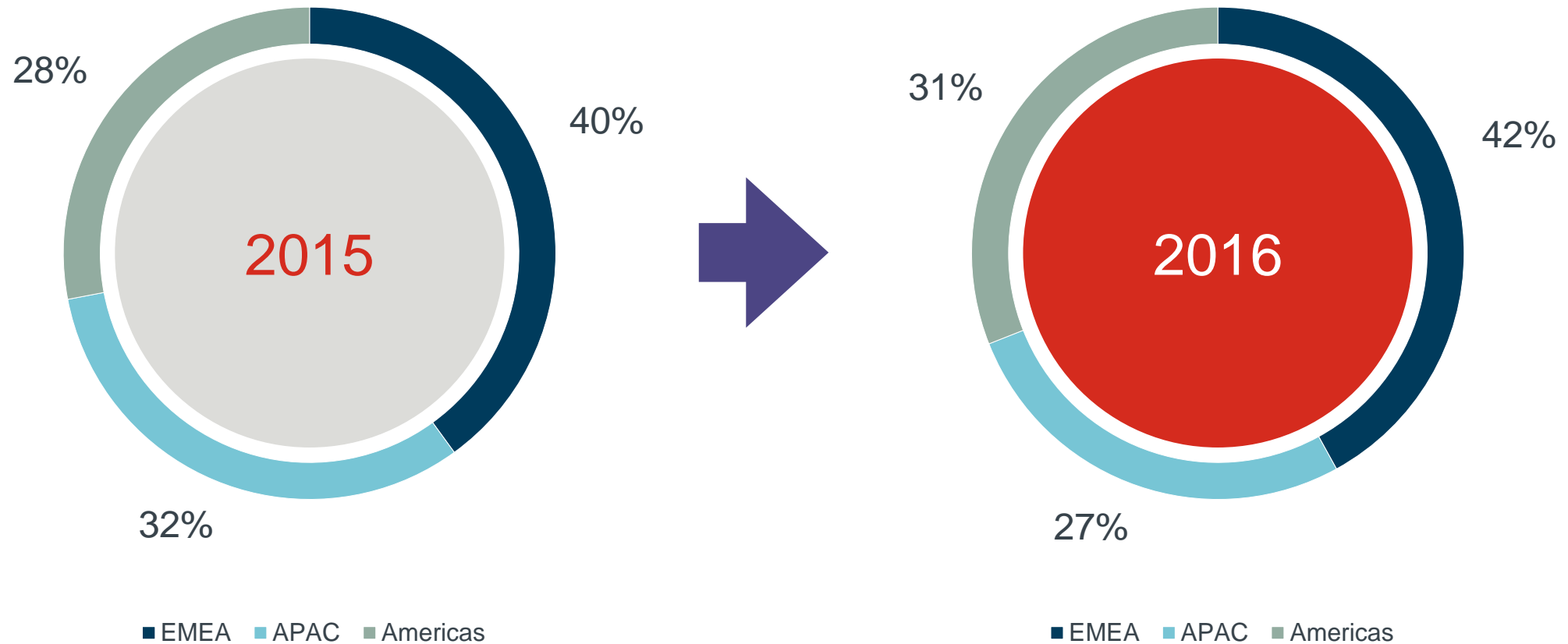
ROCE, annualised \*) Excluding restructuring costs

# Hiab's share increasing in sales mix

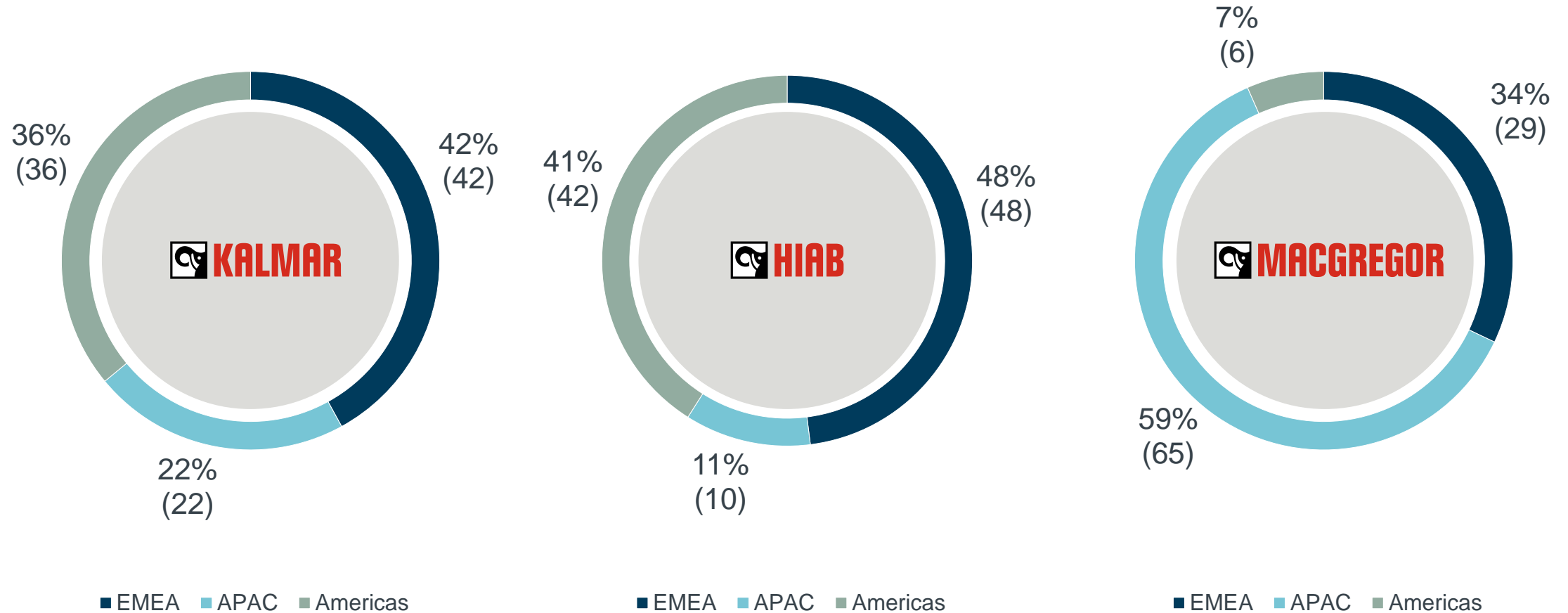




# Well diversified geographical sales mix



# 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

Target:

→ 10%

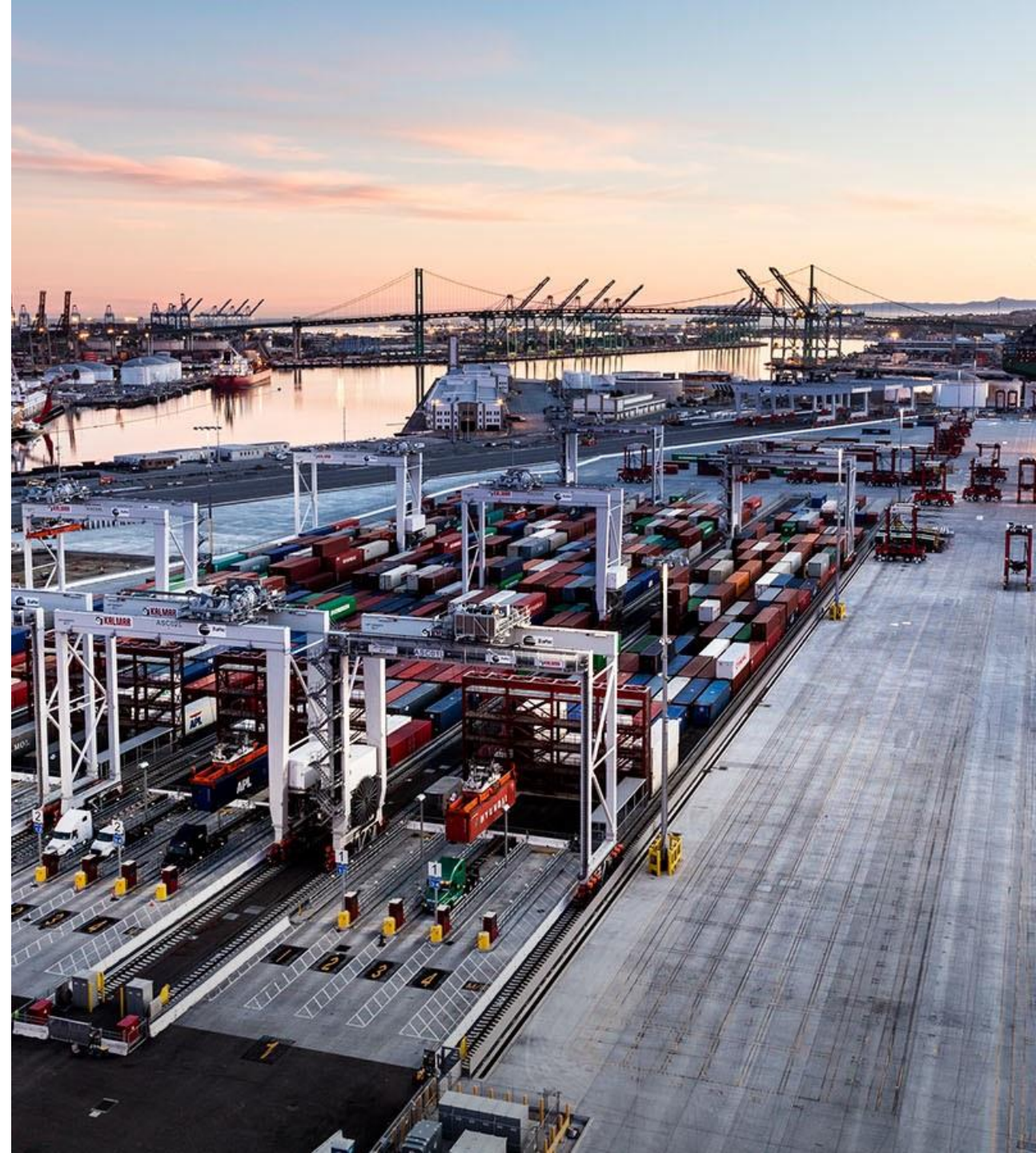
operating profit  
margin (EBIT) in  
each business  
area over the cycle



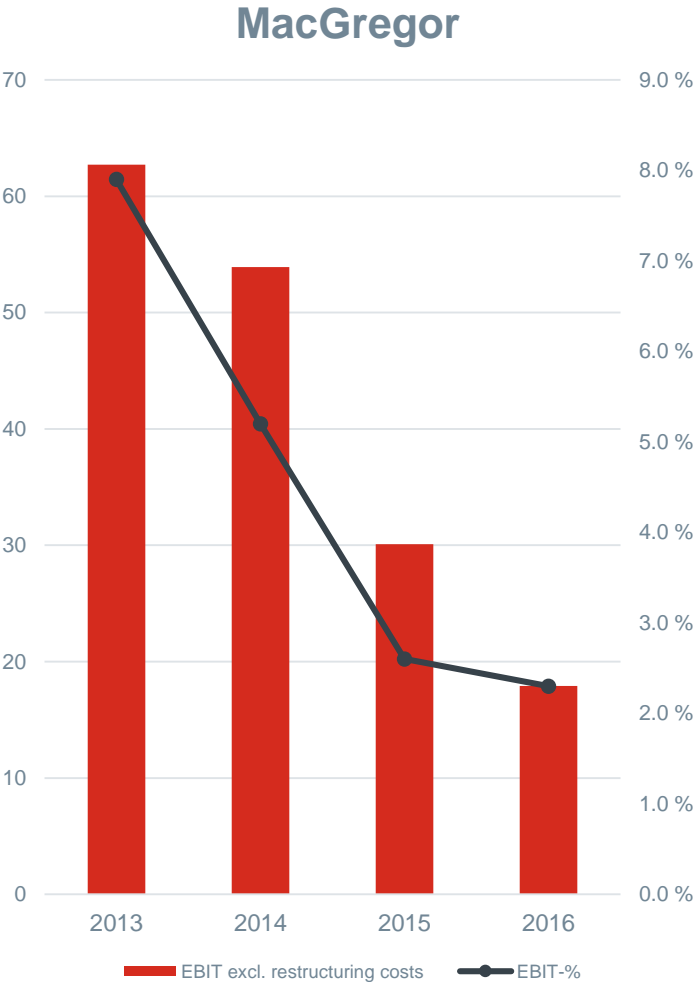
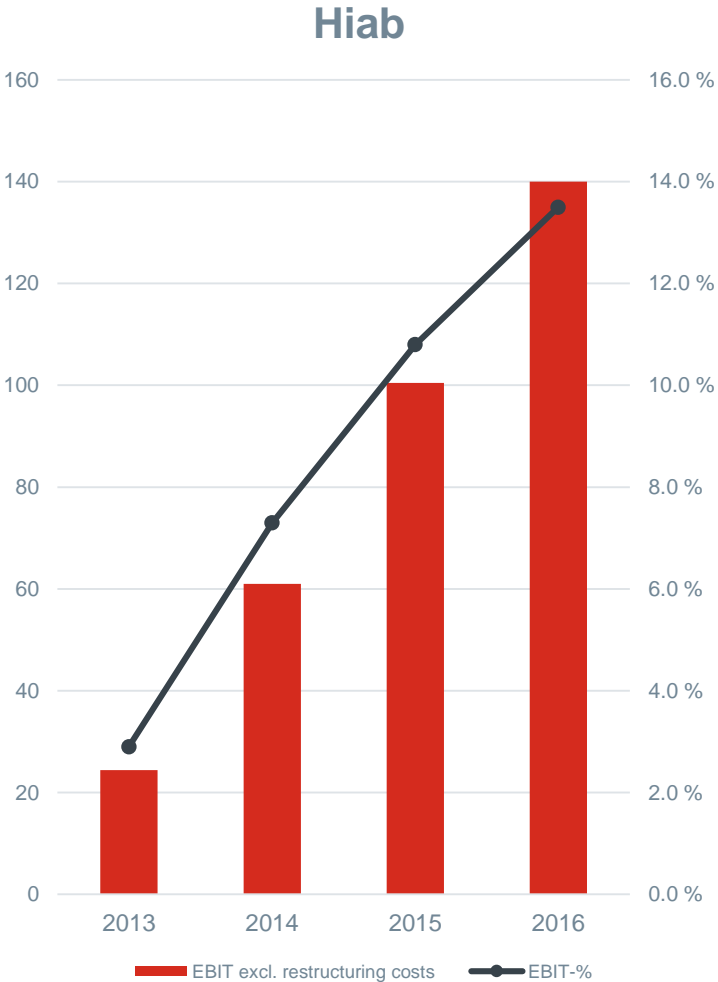
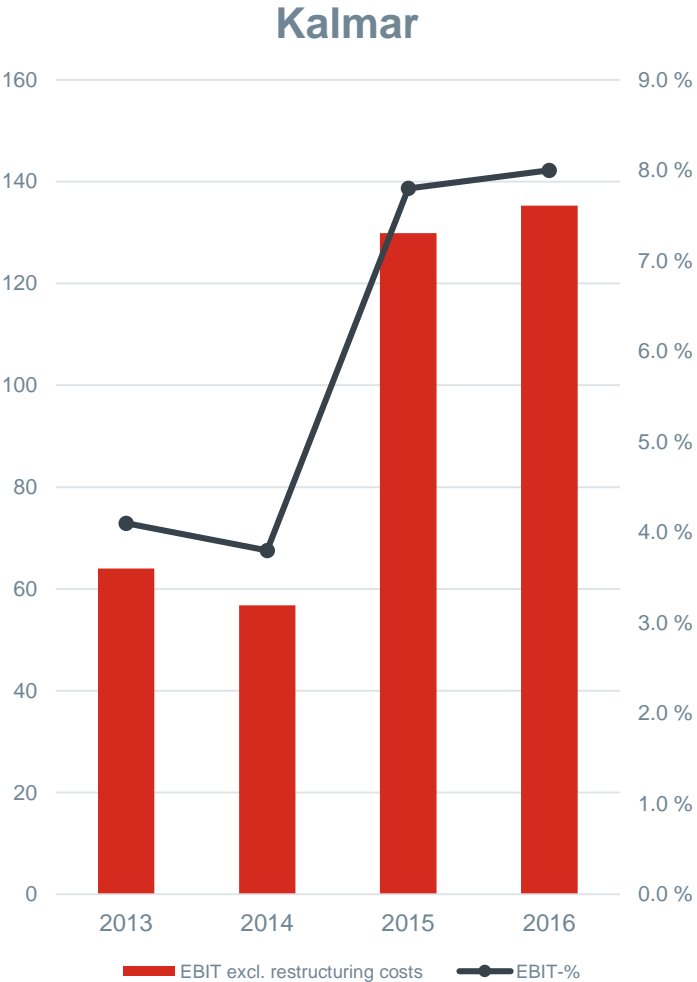


# Well positioned to become the leader in intelligent cargo handling

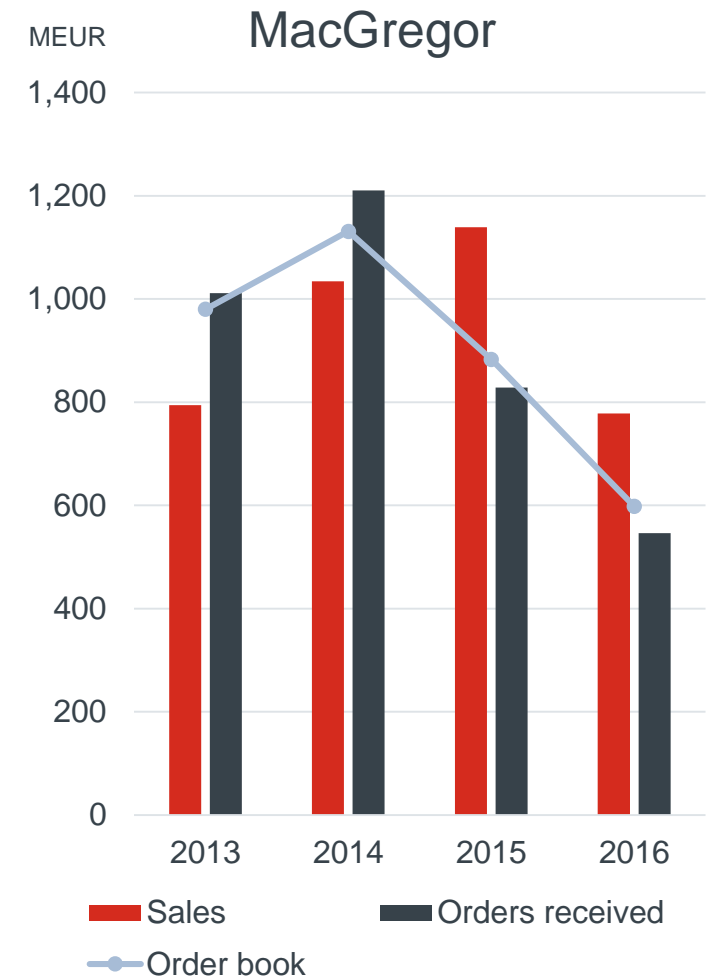
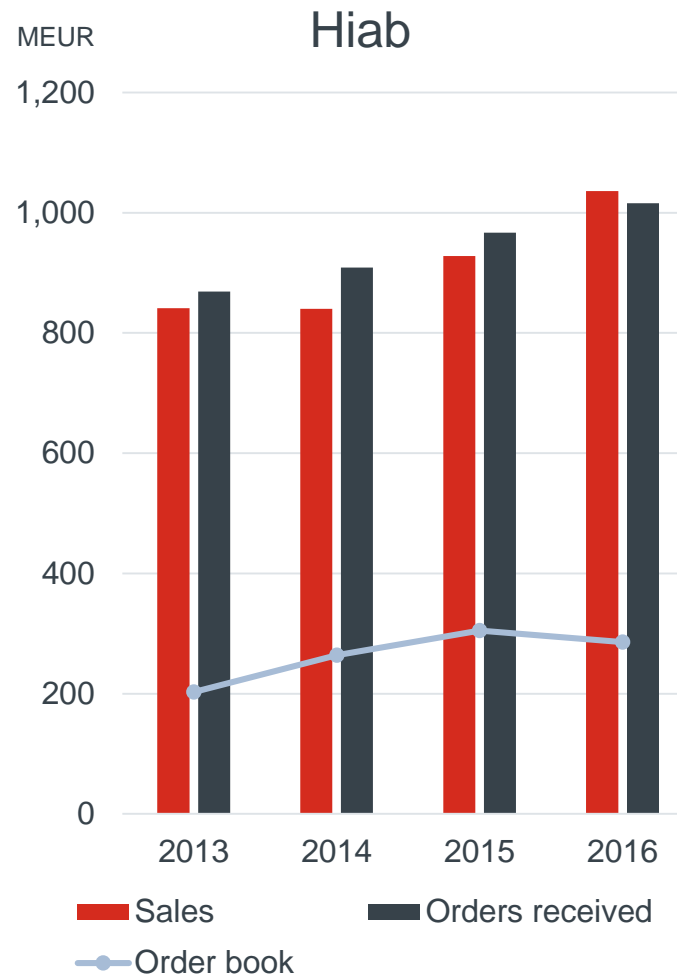
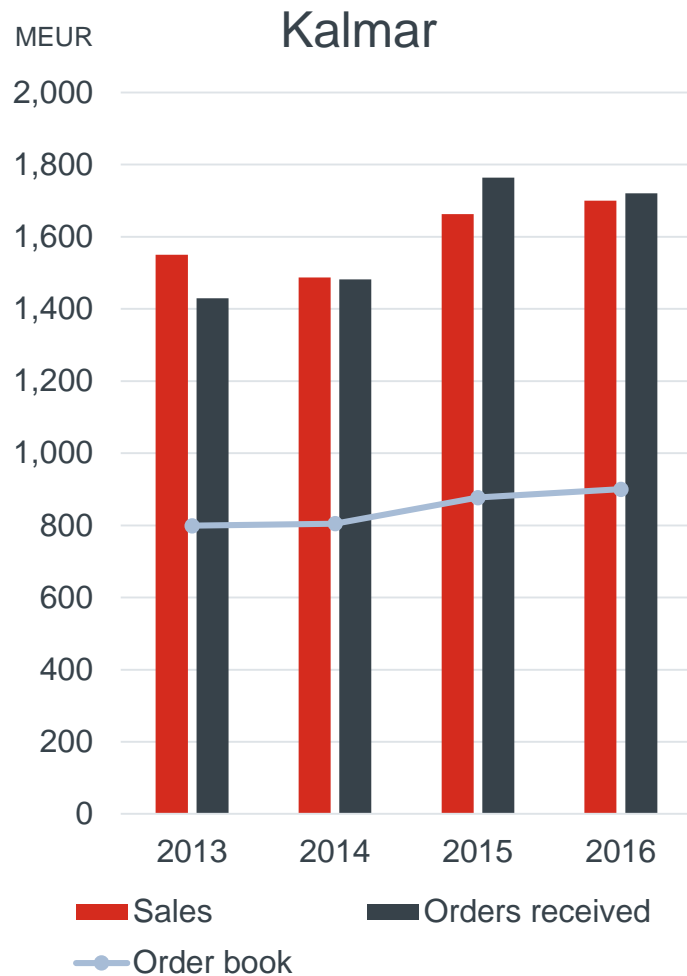
- Execution capabilities in place and profitability improving
- Building on tremendous strengths
- Transforming from equipment company to a company that will shape the cargo handling industry
- Investing to ensure a leading position
- Shaping our portfolio to drive growth and shareholder value



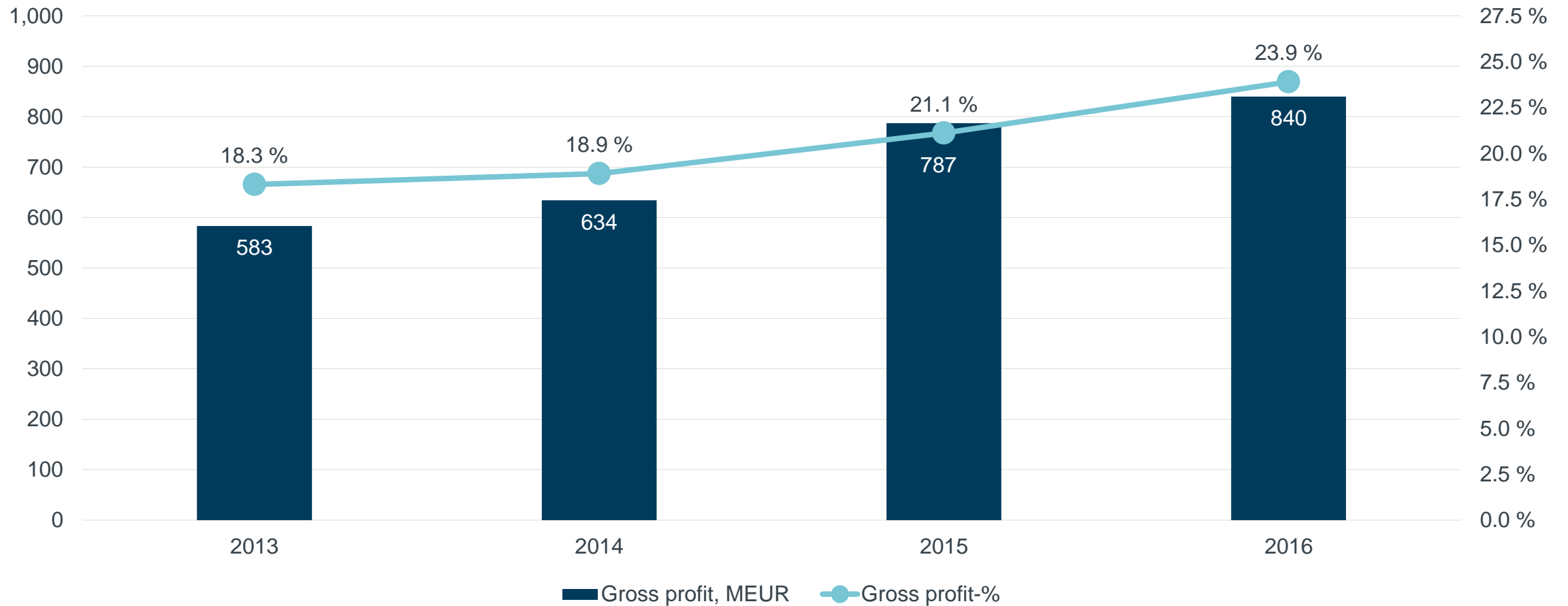
# Operating profit excl. restructuring costs development



# Sales and orders received development

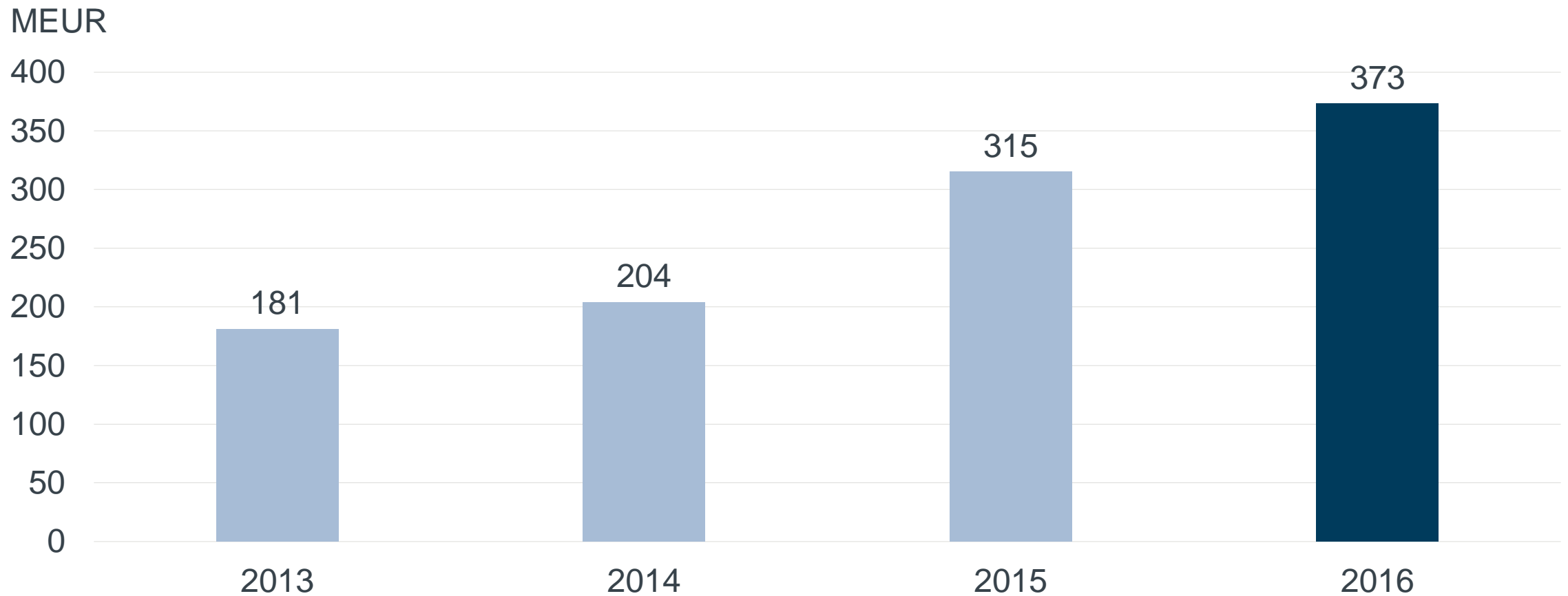


# Gross profit improvement driven by new products





# 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 Q1 2017

MEUR	1-3/2017	1-3/2016	1-12/2016
<b>Sales</b>	<b>793.4</b>	<b>828.3</b>	<b>3,513.7</b>
Cost of goods sold	-588.3	-631.4	-2,674.0
<b>Gross profit</b>	<b>205.1</b>	<b>197.0</b>	<b>839.7</b>
<i>Gross profit, %</i>	25.8	23.8	23.9
Other operating income	10.4	10.0	38.1
Selling and marketing expenses	-56.8	-54.5	-221.1
Research and development expenses	-24.1	-22.1	-94.1
Administration expenses	-67.1	-62.5	-277.0
Restructuring costs	-2.9	-0.8	-52.5
Other operating expenses	-9.7	-12.1	-37.8
Costs and expenses	-150.1	-142.0	-644.4
Share of associated companies' and joint ventures' net income	1.2	2.7	2.5
<b>Operating profit</b>	<b>56.3</b>	<b>57.7</b>	<b>197.7</b>
<i>Operating profit, %</i>	7.1	7.0	5.6
Financing income and expenses	-8.3	-6.8	-28.6
<b>Income before taxes</b>	<b>47.9</b>	<b>50.9</b>	<b>169.1</b>
<i>Income before taxes, %</i>	6.0	6.1	4.8
Income taxes	-11.4	-11.7	-43.8
<b>Net income for the period</b>	<b>36.5</b>	<b>39.1</b>	<b>125.3</b>
<i>Net income for the period, %</i>	4.6	4.7	3.6
<b>Net income for the period attributable to:</b>			
Equity holders of the parent	36.7	39.2	126.0
Non-controlling interest	-0.2	0.0	-0.7
<b>Total</b>	<b>36.5</b>	<b>39.1</b>	<b>125.3</b>
<b>Earnings per share for profit attributable to the equity holders of the parent:</b>			
Basic earnings per share, EUR	0.57	0.61	1.95
Diluted earnings per share, EUR	0.57	0.61	1.94

# Balance sheet Q1 2017

ASSETS, MEUR	31 Mar 2017	31 Mar 2016	31 Dec 2016
<b>Non-current assets</b>			
Goodwill	1,024.8	1,018.0	1,024.5
Other intangible assets	282.8	282.8	290.2
Property, plant and equipment	309.3	304.3	308.6
Investments in associated companies and joint ventures	117.4	114.4	123.4
Available-for-sale investments	3.8	3.8	3.8
Loans receivable and other interest-bearing assets*	2.8	1.9	3.0
Deferred tax assets	189.8	173.7	185.0
Derivative assets	15.6	11.6	16.9
Other non-interest-bearing assets	7.8	6.3	7.9
<b>Total non-current assets</b>	<b>1,954.2</b>	<b>1,916.9</b>	<b>1,963.4</b>
<b>Current assets</b>			
Inventories	662.2	654.5	647.0
Loans receivable and other interest-bearing assets*	2.6	4.8	1.9
Income tax receivables	31.6	17.6	26.1
Derivative assets	15.5	48.0	45.8
Accounts receivable and other non-interest-bearing assets	768.6	718.6	778.9
Cash and cash equivalents*	293.4	161.8	273.2
<b>Total current assets</b>	<b>1,773.9</b>	<b>1,605.3</b>	<b>1,773.0</b>
<b>Total assets</b>	<b>3,728.1</b>	<b>3,522.2</b>	<b>3,736.3</b>

EQUITY AND LIABILITIES, MEUR	31 Mar 2017	31 Mar 2016	31 Dec 2016
<b>Equity attributable to the equity holders of the parent</b>			
Share capital	64.3	64.3	64.3
Share premium account	98.0	98.0	98.0
Translation differences	45.4	32.5	37.3
Fair value reserves	-15.9	-11.4	-24.7
Reserve for invested non-restricted equity	69.0	76.1	69.0
Retained earnings	1,124.9	1,069.1	1,151.1
<b>Total equity attributable to the equity holders of the parent</b>	<b>1,385.7</b>	<b>1,328.5</b>	<b>1,395.0</b>
Non-controlling interest	4.0	2.4	2.2
<b>Total equity</b>	<b>1,389.6</b>	<b>1,330.9</b>	<b>1,397.2</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities*	904.3	655.4	656.8
Deferred tax liabilities	74.0	71.1	73.1
Pension obligations	82.6	73.0	81.4
Provisions	17.8	23.6	37.6
Other non-interest-bearing liabilities	55.4	44.6	49.4
<b>Total non-current liabilities</b>	<b>1,134.1</b>	<b>867.8</b>	<b>898.2</b>
<b>Current liabilities</b>			
Current portion of interest-bearing liabilities*	5.4	109.5	119.4
Other interest-bearing liabilities*	35.2	32.5	45.8
Provisions	115.0	72.7	112.8
Advances received	141.0	190.5	160.6
Income tax payables	11.7	20.7	32.0
Derivative liabilities	8.8	21.2	34.1
Accounts payable and other non-interest-bearing liabilities	887.3	876.4	936.2
<b>Total current liabilities</b>	<b>1,204.4</b>	<b>1,323.5</b>	<b>1,440.8</b>
<b>Total equity and liabilities</b>	<b>3,728.1</b>	<b>3,522.2</b>	<b>3,736.3</b>

\*Included in interest-bearing net debt.



# Cash flow statement Q1 2017

MEUR	1-3/2017	1-3/2016	1-12/2016
Net income for the period	36.5	39.1	125.3
Depreciation, amortisation and impairment	17.7	17.9	84.8
Other adjustments	21.0	18.6	72.5
Change in net working capital	-62.7	15.2	90.5
<b>Cash flow from operations before financing items and taxes</b>	<b>12.5</b>	<b>90.8</b>	<b>373.0</b>
Cash flow from financing items and taxes	-62.9	3.2	-59.5
<b>Net cash flow from operating activities</b>	<b>-50.4</b>	<b>94.0</b>	<b>313.5</b>
Acquisitions, net of cash acquired	-	-64.6	-66.8
Investments in associated companies and joint ventures	-4.7	-	-2.7
Cash flow from investing activities, other items	-15.2	-12.7	-61.9
<b>Net cash flow from investing activities</b>	<b>-19.9</b>	<b>-77.3</b>	<b>-131.5</b>
Proceeds from share subscriptions	-	-	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	-91.6	-0.2	-3.2
Proceeds from short-term borrowings	4.0	14.8	38.2
Repayments of short-term borrowings	-25.2	-36.1	-58.9
Profit distribution	-57.4	-	-52.8
<b>Net cash flow from financing activities</b>	<b>79.5</b>	<b>-21.5</b>	<b>-83.9</b>
<b>Change in cash and cash equivalents</b>	<b>9.1</b>	<b>-4.7</b>	<b>98.1</b>
Cash, cash equivalents and bank overdrafts at the beginning of period	260.8	164.9	164.9
Effect of exchange rate changes	9.7	-1.2	-2.2
<b>Cash, cash equivalents and bank overdrafts at the end of period</b>	<b>279.7</b>	<b>158.9</b>	<b>260.8</b>
Bank overdrafts at the end of period	13.7	2.8	12.4
<b>Cash and cash equivalents at the end of period</b>	<b>293.4</b>	<b>161.7</b>	<b>273.2</b>

# 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







# 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



## Emission efficiency

Technology to enable fuel and emission efficient offering

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



## Efficiency for environmental industries

Offering to support the operations in environmental industries

Cargotec solutions for environmental industries



## 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%**



PARIS2015  
COP21-CMP11



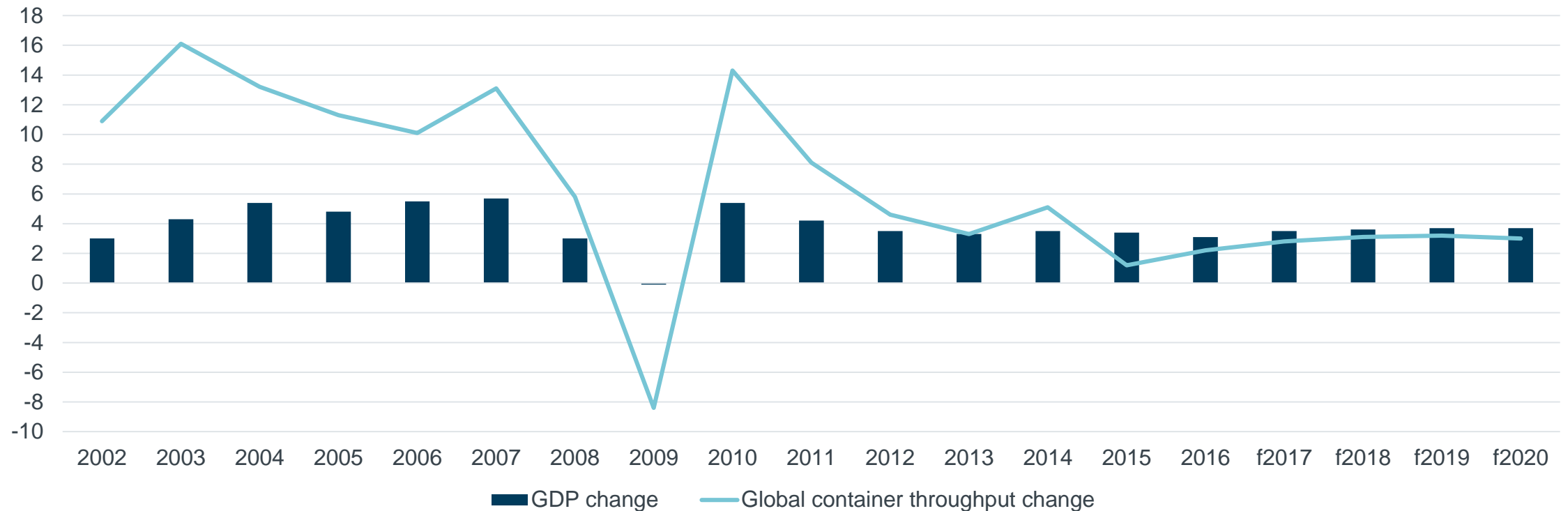
# Kalmar appendix

# 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

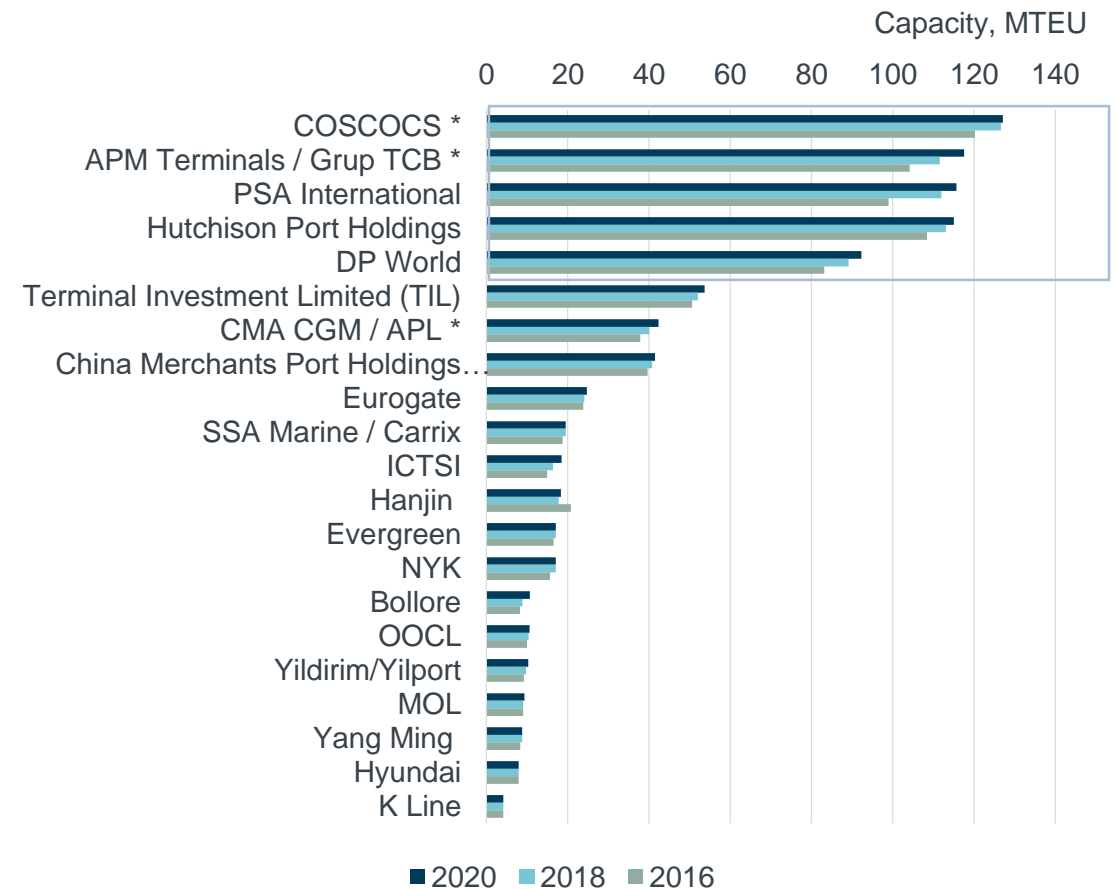


# Consolidation leading to five dominant container terminal operators in 2020

24 Global Terminal Operators' total forecasted capacity increase 2015-2020 is 125 Mteu, increasing 3,1% p.a to 892 Mteu by 2020

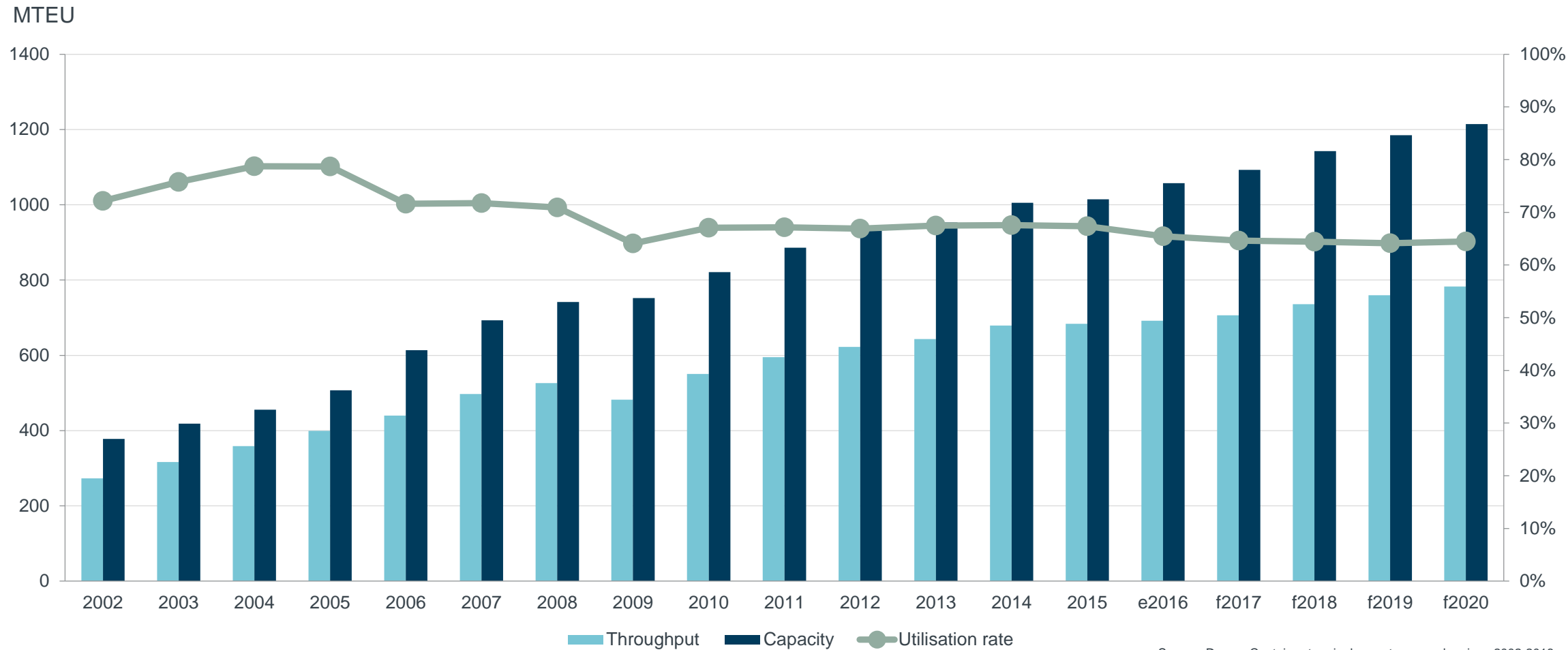
Terminal operators consolidating, recent M&A activity:

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



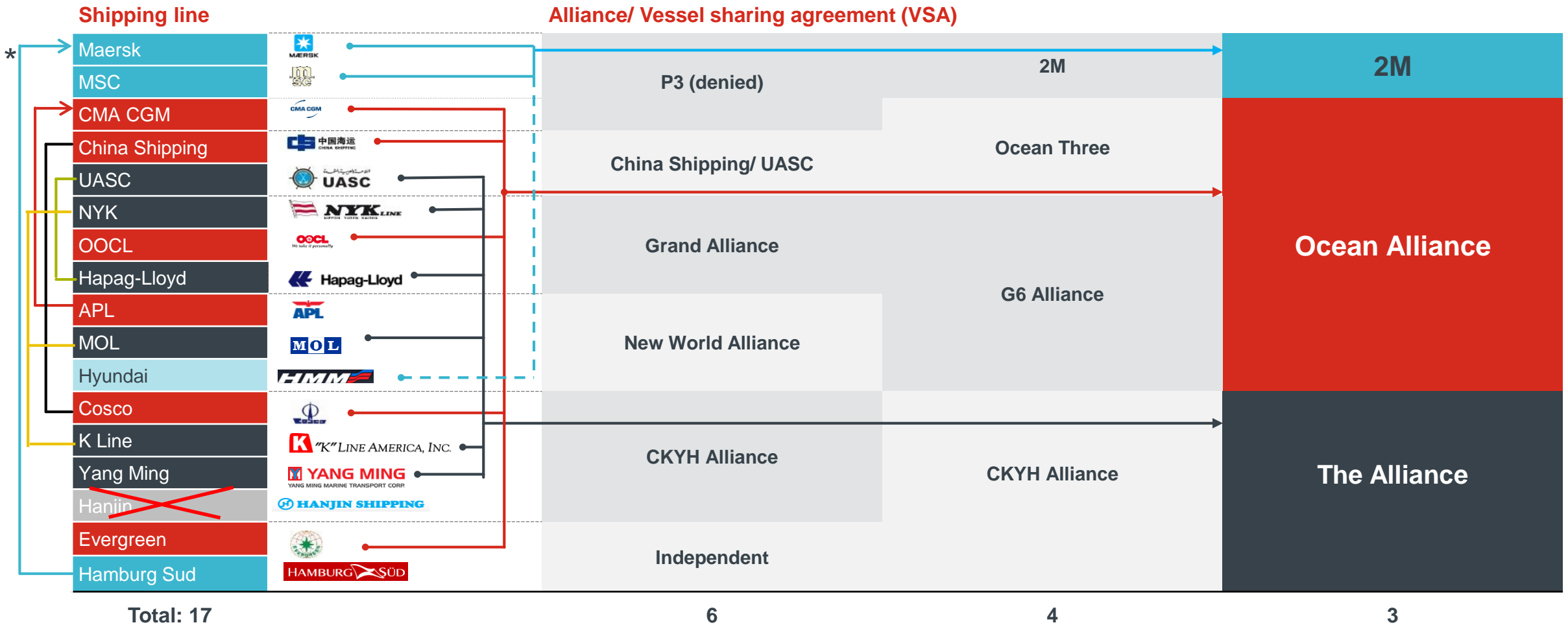
Source: Drewry  
\* Capacity counted once in all terminals where shareholding held by both sub operators

# 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

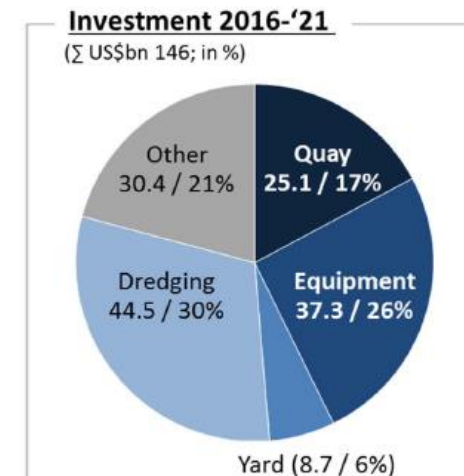
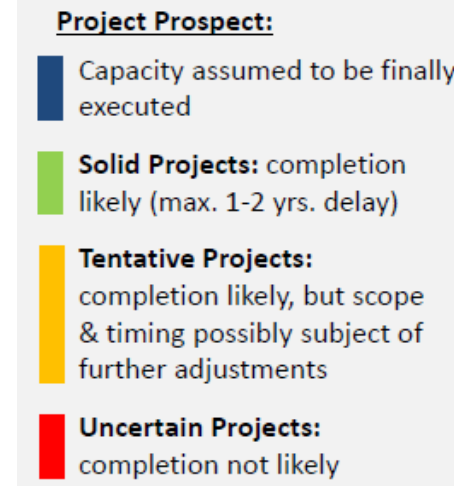
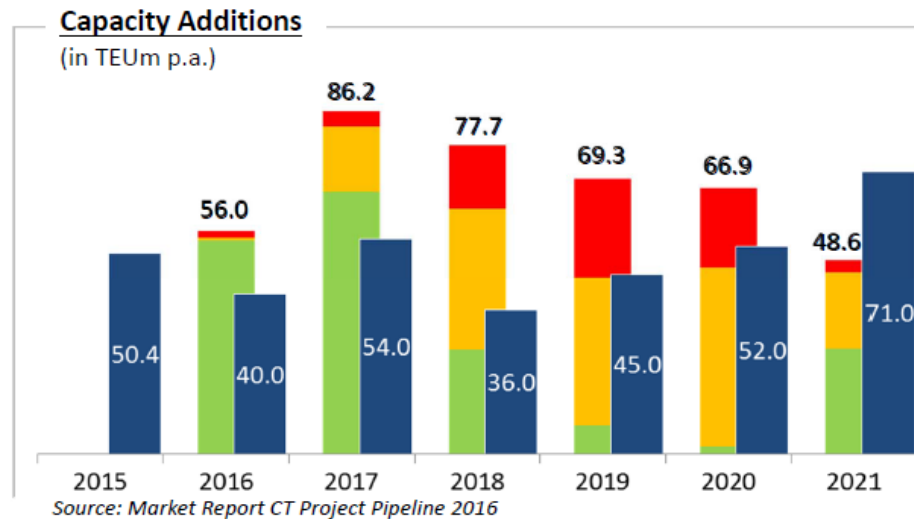


Sources: Drewry, Alphaliner, Cargotec

# 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.

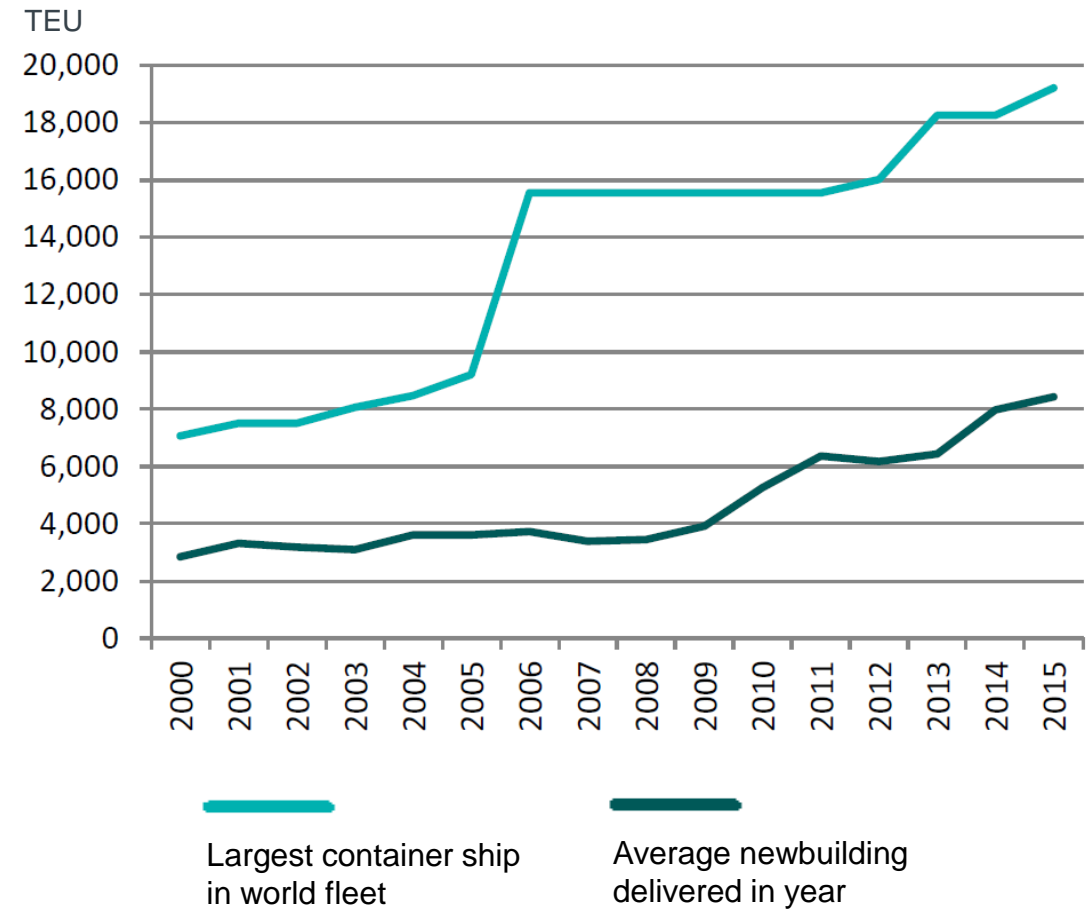
Depending on the type of project, different cost have been assumed for quay construction, container handling equipment, yard construction, dredging & land reclamation and other cost. Overall, DS Research has estimated that investments for container terminal projects 2016-'21 include about US\$bn 37 for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





# Ship sizes increasing dramatically

- The largest container ship 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



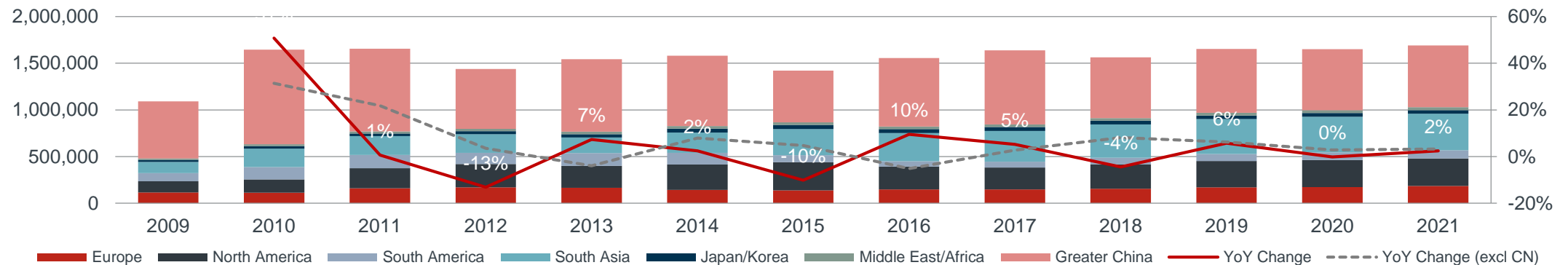
# Hiab appendix



# Global truck volumes

IHS predicts global truck volumes to increase in 2017, driven by China and South Asia, but outlook on NA has been lowered significantly compared to previous forecast

## Truck registrations, GVW >15t



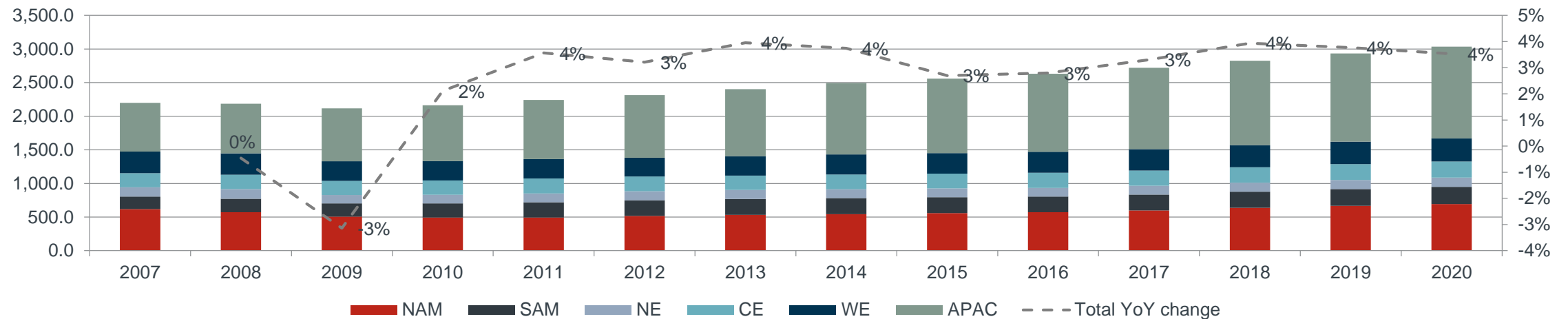
### YoY %-changes

	2016	2017	2018	2019	2020	2021
Europe	6.4%	0.0%	5.4%	9.2%	2.4%	7.1%
North America	-18.6%	-3.9%	10.9%	8.0%	2.3%	1.5%
South America	-21.9%	6.5%	13.6%	9.5%	7.3%	6.4%
South Asia	7.6%	9.8%	7.9%	4.3%	2.9%	2.7%
Japan/Korea	-1.9%	-3.6%	-3.5%	-2.7%	-4.0%	-2.3%
Middle East/Africa	-4.5%	0.7%	5.8%	2.7%	6.3%	3.2%
Greater China	32.4%	8.0%	-17.9%	5.0%	-4.4%	1.1%
<b>Total</b>	<b>9.5%</b>	<b>5.2%</b>	<b>-4.5%</b>	<b>5.7%</b>	<b>-0.2%</b>	<b>2.4%</b>

Source: IHS Truck registration (March 2017)

# Construction output forecast

## Annual Construction Output



### YoY %-changes

	2015	2016	2017	2018	2019	2020
NAM	3.1%	2.6%	4.5%	6.2%	5.1%	3.8%
SAM	-1.4%	-2.0%	1.4%	2.5%	2.8%	3.1%
NE	-2.1%	-0.6%	1.3%	1.5%	1.5%	1.7%
CE	1.2%	0.9%	1.6%	1.9%	1.6%	1.4%
WE	2.3%	2.9%	1.6%	2.2%	2.7%	3.2%
APAC	4.4%	4.7%	4.1%	4.2%	4.2%	4.1%
<b>Total</b>	<b>2.7%</b>	<b>2.8%</b>	<b>3.3%</b>	<b>3.9%</b>	<b>3.8%</b>	<b>3.5%</b>

Source: Oxford Economics construction output March 2017 (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

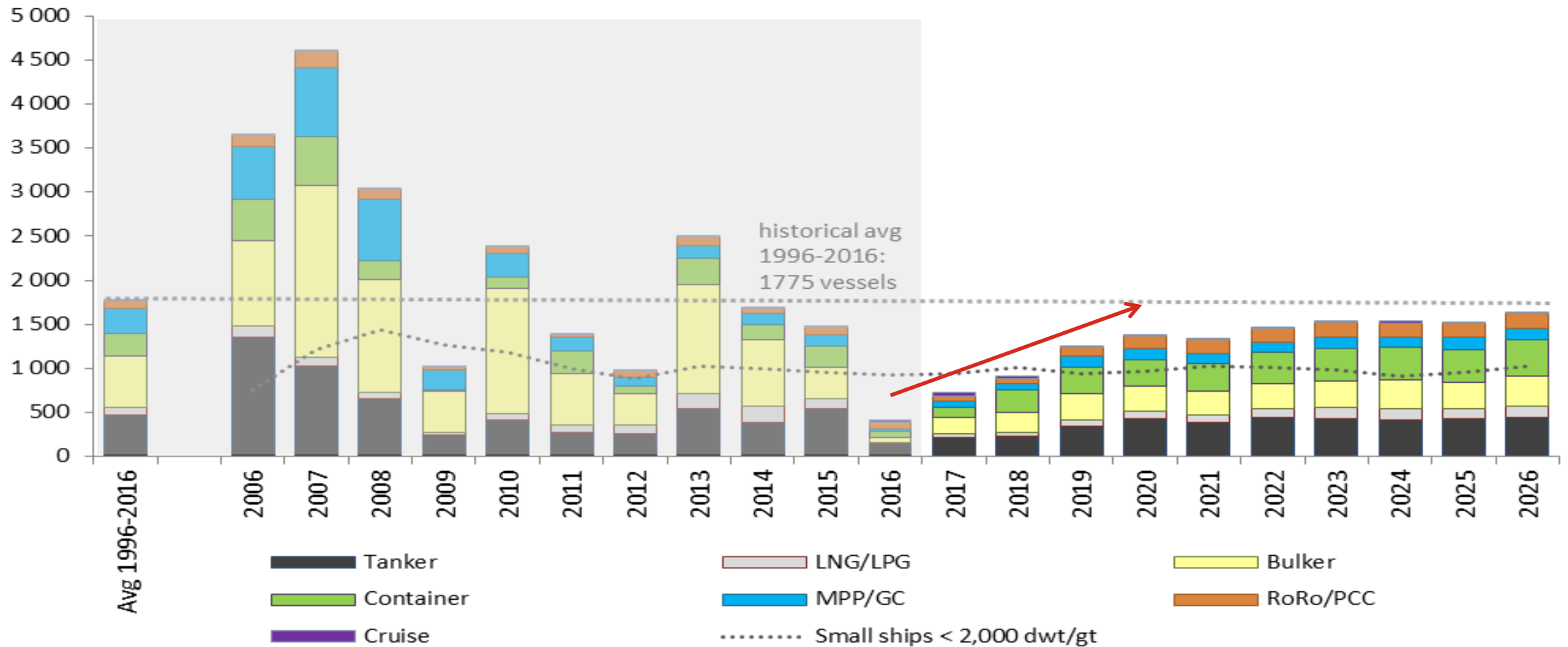


# MacGregor appendix



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

Merchant ship types > 2000 gt, base case

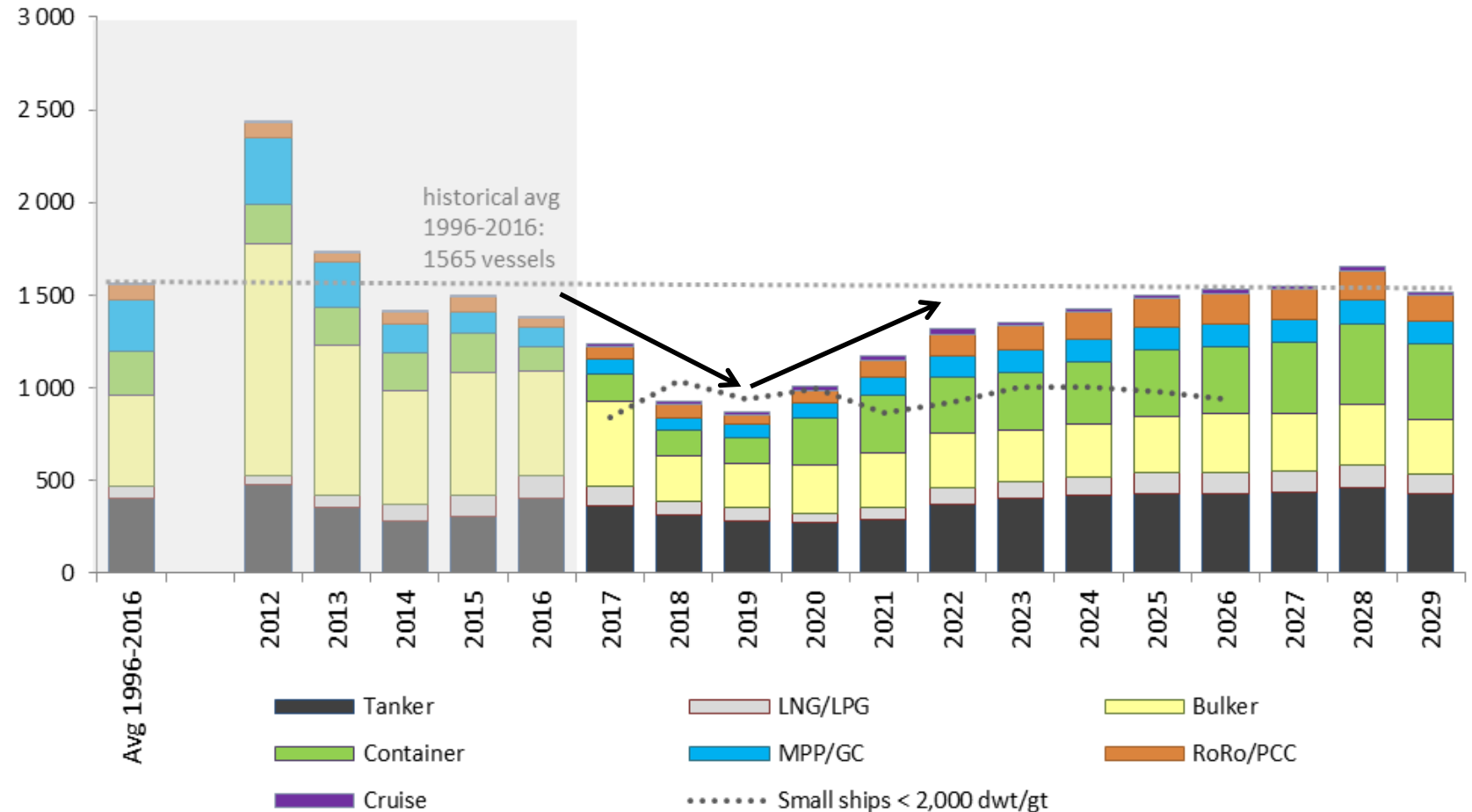


Source: Clarksons March 2017

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

Merchant ship types > 2000 gt, base case

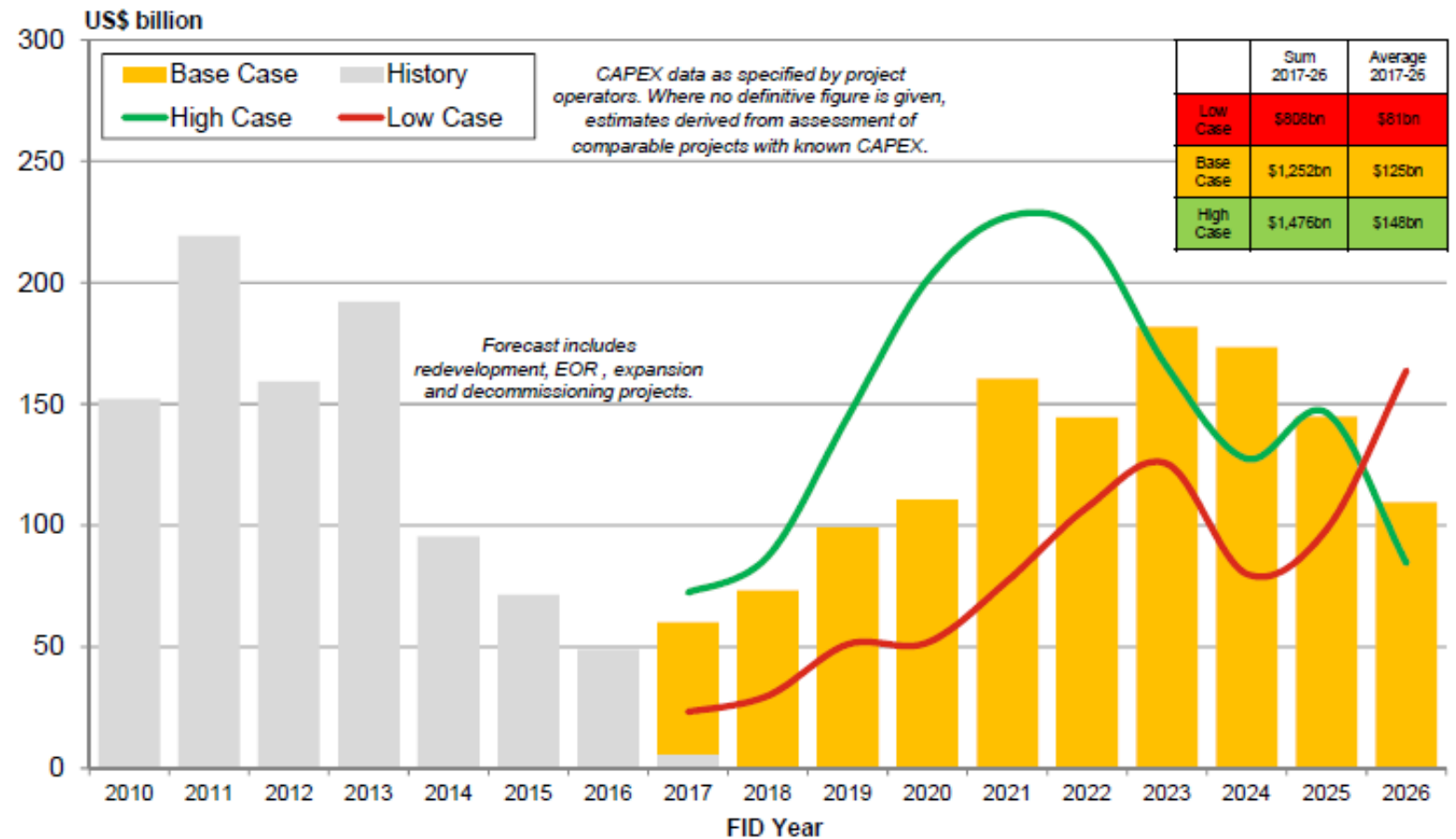
Deliveries 2017 and onwards decrease due to the extremely low contracting levels 2015-2016, and will remain at historically lower levels due to the continued lower contracting in no of ships.



Source: Clarksons March 2017

# Offshore CAPEX: history and forecasts

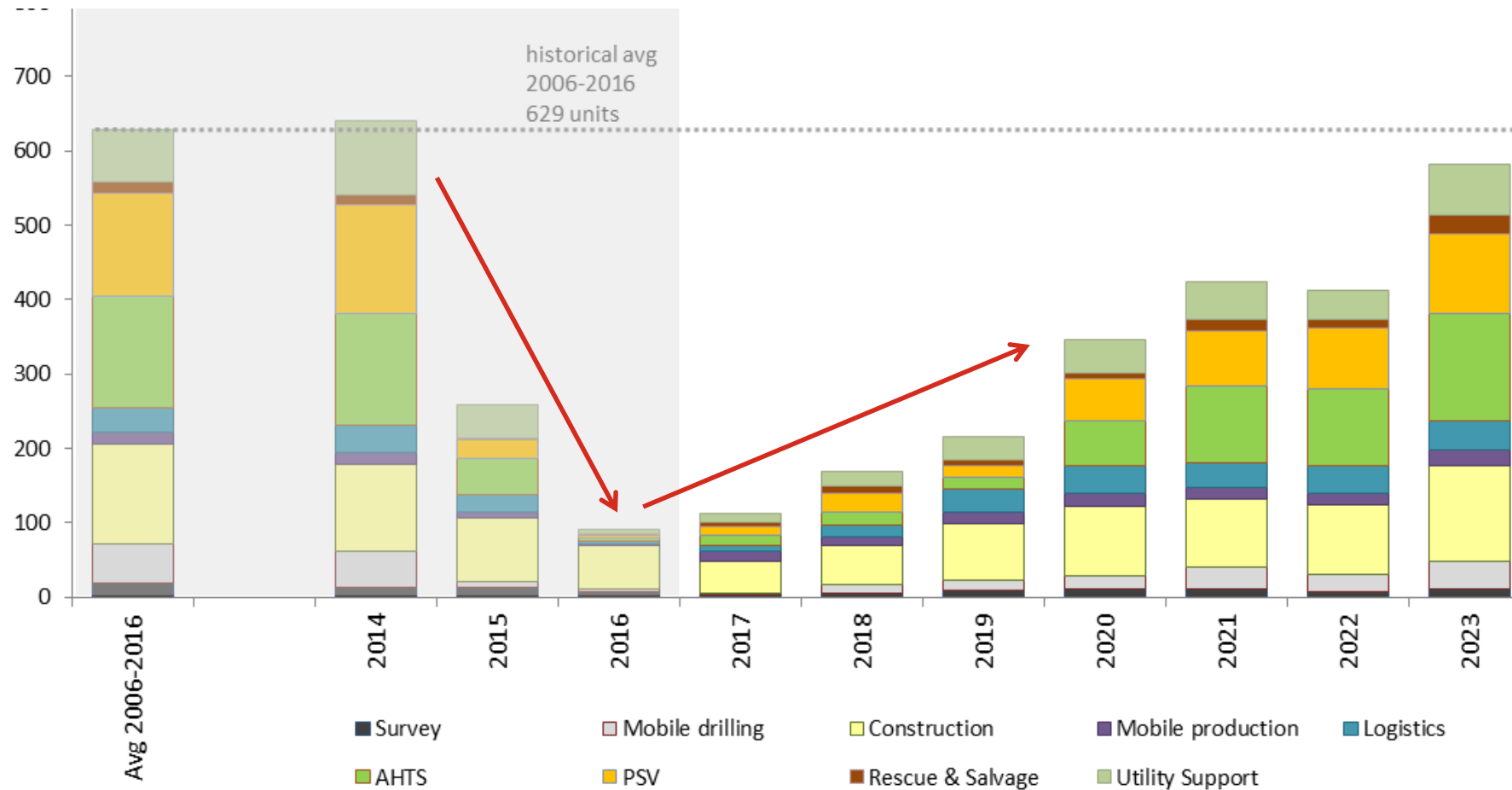
In the base case forecasting scenario, offshore CAPEX is projected to gradually recover from 2018 onwards, reaching pre-downturn levels in 2021 and staying relatively stable thereafter at around \$120-150bn per annum.



Source: Clarksons March 2017

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

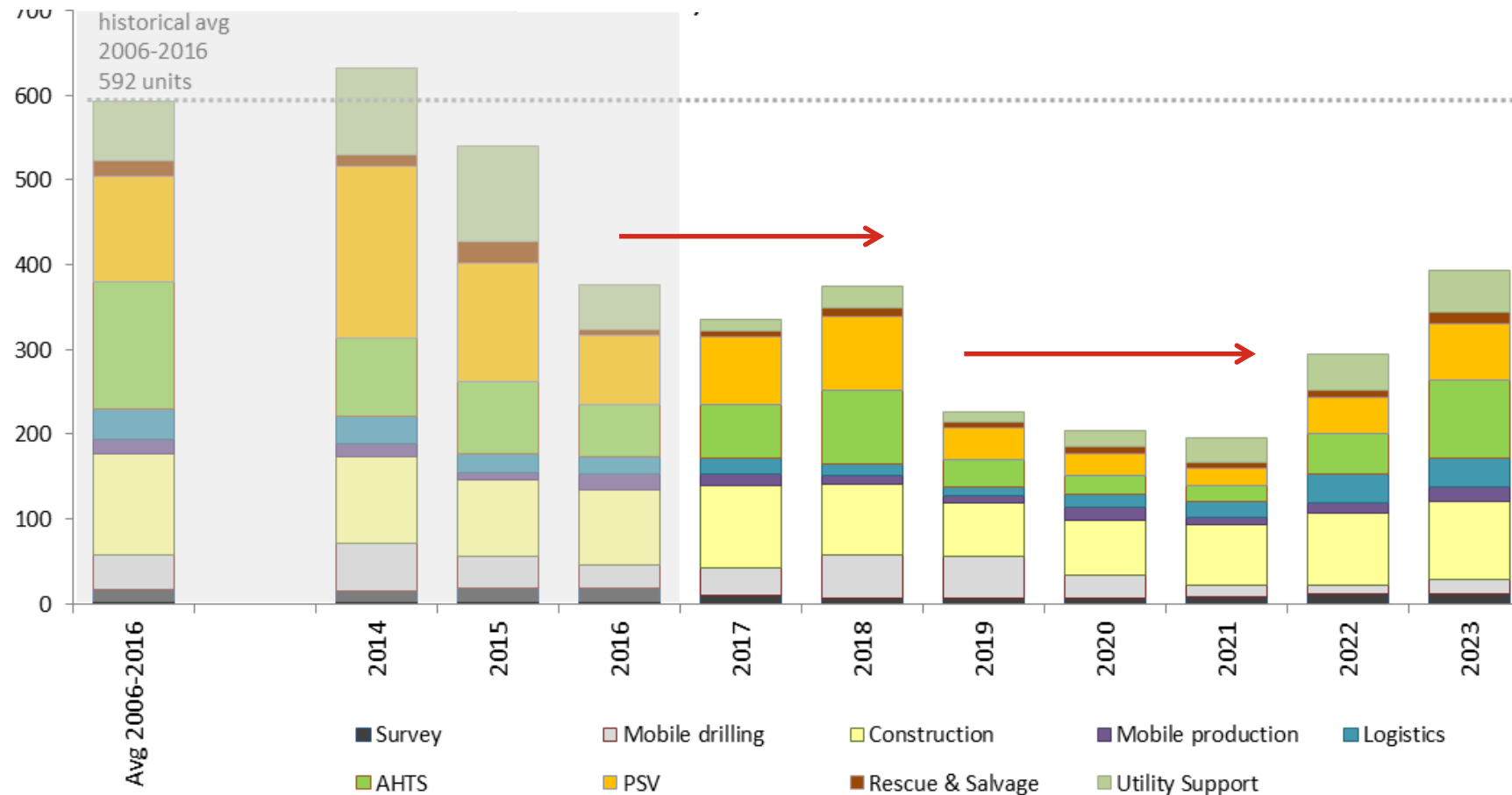
Offshore mobile units, base case (USD 60/bbl 2021)



Source: Clarksons March 2017

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

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



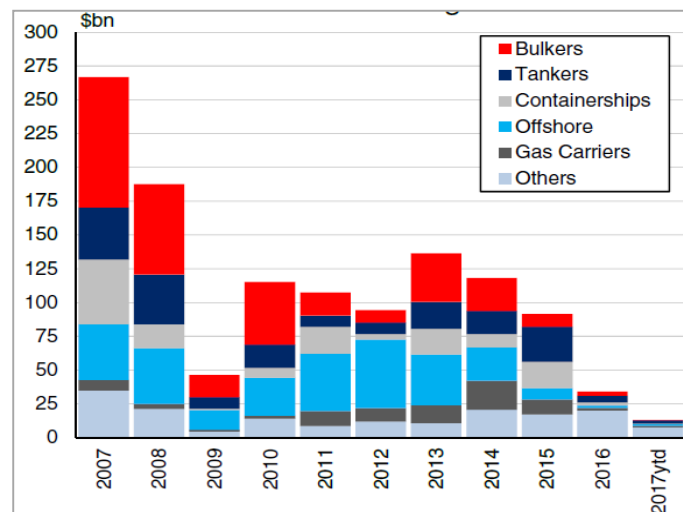
Source: Clarksons March 2017



# Shipbuilding – Contracting (ships >2000 gt/dwt)

Global Contracting Activity (1st April 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	488	137	12%	91.6	34.1	13.0	53%	40.0	11.6	3.8	32%
Vessel Type												
Bulkers	352	48	11	-8%	9.3	3.0	0.2	-69%	6.3	1.8	0.2	-56%
Tankers	547	146	54	48%	26.1	5.0	2.3	82%	12.6	2.7	1.3	92%
Containerships	249	82	8	-61%	19.4	2.1	0.2	-63%	10.5	1.5	0.1	-65%
Gas Carriers	109	20	7	40%	11.2	2.1	1.2	134%	4.4	0.8	0.5	123%
Offshore	185	52	11	-15%	8.4	1.9	1.6	230%	1.7	0.6	0.3	93%
Others	248	140	46	31%	17.1	19.9	7.5	50%	4.5	4.2	1.5	39%
Builder Country												
China	576	218	58	6%	23.4	7.8	1.8	-5%	11.8	4.2	1.1	1%
South Korea	295	61	22	44%	25.0	3.9	2.2	132%	10.9	1.8	0.9	94%
Japan	534	70	9	-49%	24.0	2.8	0.6	-10%	12.5	1.4	0.2	-42%
Europe	127	92	32	39%	13.8	18.1	7.8	73%	2.6	3.5	1.4	59%
Other	158	47	16	36%	5.4	1.5	0.5	22%	2.3	0.6	0.3	80%

Estimated newbuilding investment \$bn

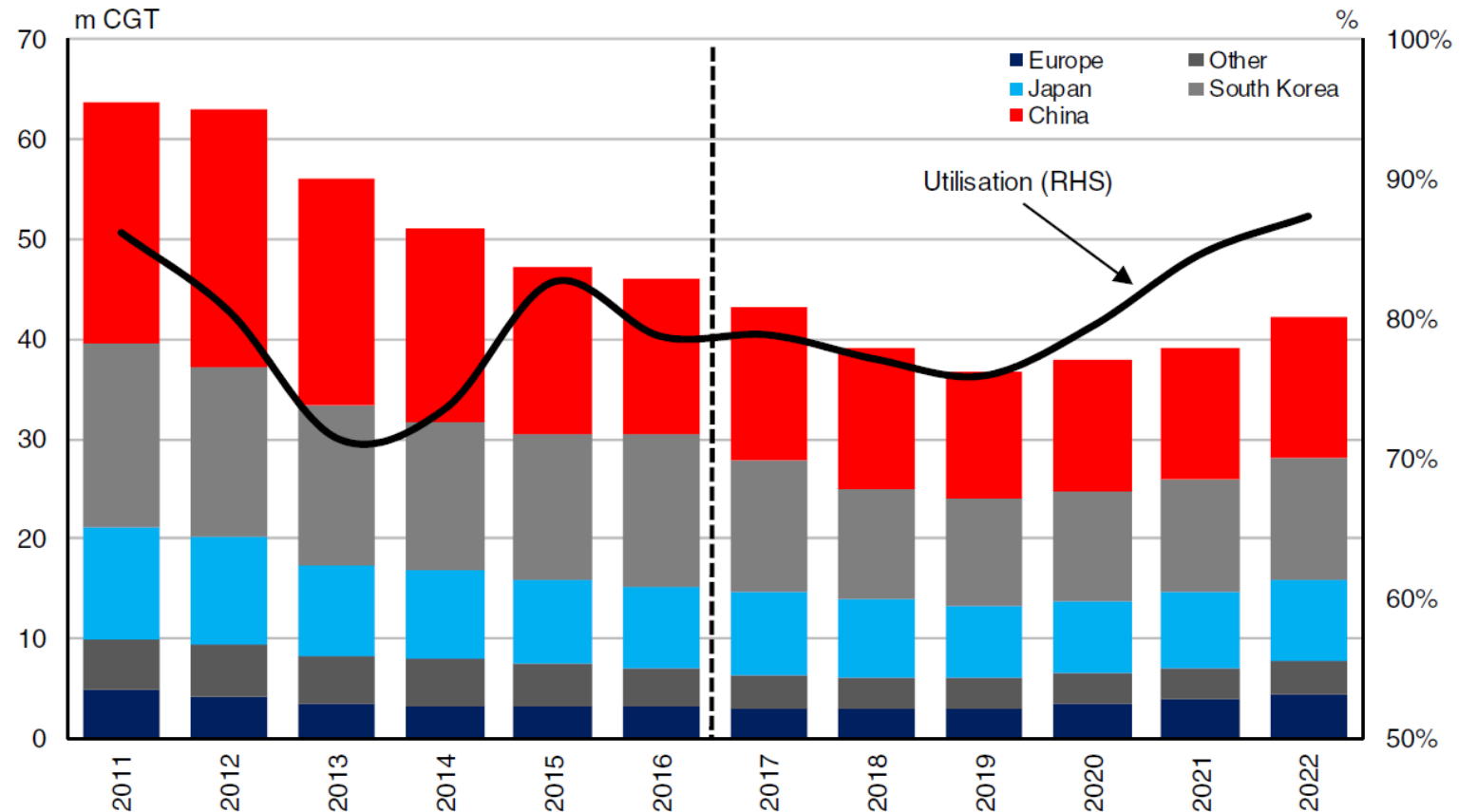


Source: Clarksons April 2017

# 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%.

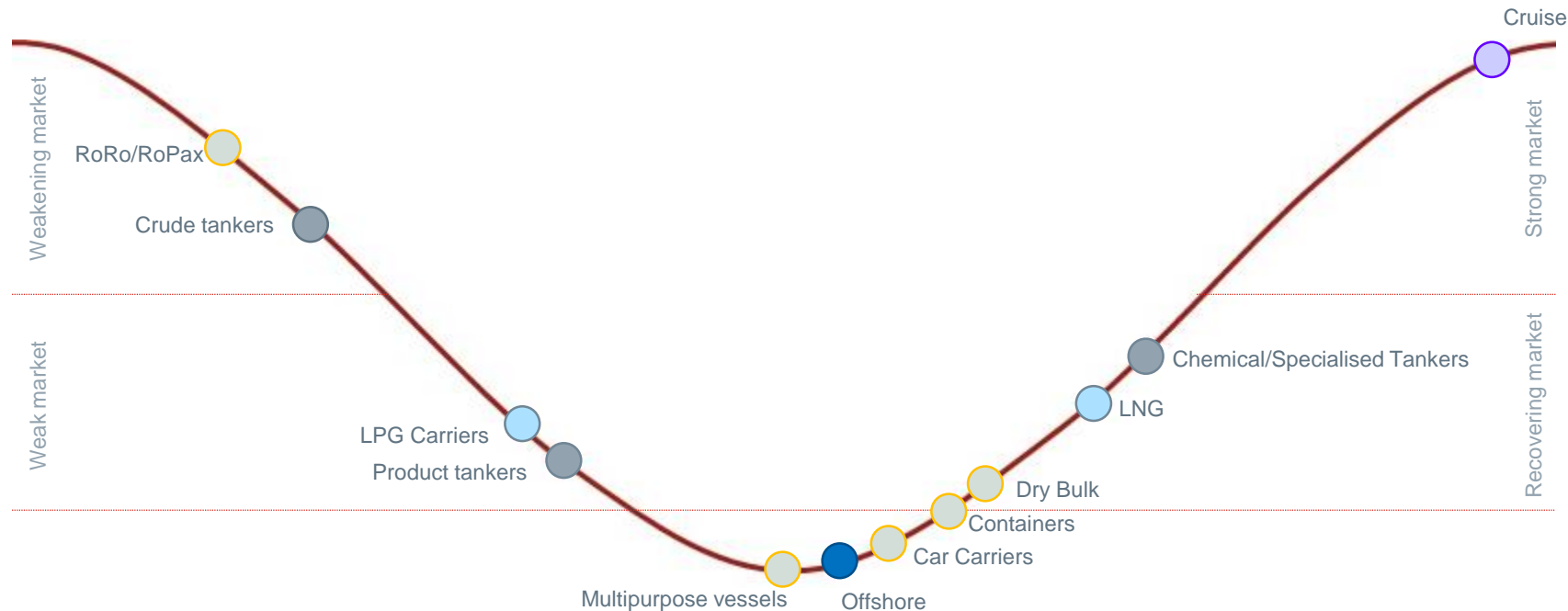
The contracting forecast suggests that there will be further pressure on yards, and the capacity is projected to decline by another 20% by end of 2019.



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

