



**CMD  
2017**  
 **CARGOTEC**

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5. Hiab, Roland Sundén  
Pioneering Hiab – well positioned for further profitable growth
6. MacGregor, Michel van Roozendaal  
Performing in challenging market conditions
7. CFO Mikko Puolakka  
Strong commitment to improving profitability
8. Break-out sessions



# Agenda

<b>12.30</b>	Strong progress in becoming the leader in intelligent cargo handling and delivering shareholder returns	<b>Mika Vehviläinen, CEO</b>
<b>13.00</b>	Shaping the industry through intelligent cargo handling	<b>Antti Kaunonen, President, Kalmar</b>
<b>13.30</b>	Pioneering Hiab – well positioned for further profitable growth	<b>Roland Sundén, President, Hiab</b>
<b>14.00</b>	Coffee break	
<b>14.20</b>	Performing in challenging market conditions	<b>Michel van Roozendaal, President, MacGregor</b>
<b>14.50</b>	Strong commitment to improving profitability	<b>Mikko Puolakka, CFO</b>
<b>15.30</b>	Coffee break, please move to break-out sessions (room marked in your name tag)	
<b>15.45</b>	Break-out session 1	<b>Services</b>
<b>16.10</b>	Break-out session 2	<b>Digitalisation</b>
<b>16.35</b>	Break-out session 3	<b>Leadership</b>
<b>17.00</b>	Cocktails and snacks with the management	



# Speakers



**Mika  
Vehviläinen**  
CEO



**Mikko  
Puolakka**  
CFO



**Antti  
Kaunonen**  
President, Kalmar



**Roland  
Sundén**  
President, Hiab



**Michel van  
Roozendaal**  
President, MacGregor



# Break-out sessions instructions

**Please find your room number  
from your name tag.**

**Each group will have 20 minutes  
with each topic.**

**Groups stay in the dedicated rooms  
for all the break-out sessions.**

**Cargotec teams change rooms  
between sessions.**

## **Lead digitalisation**

Soili Mäkinen, CIO

Lasse Eriksson, VP, Kalmar New Service Business Concepts

Jan-Erik Lindfors, VP, Hiab New Business Solutions

Alexander Nürnberg, SVP, MacGregor

## **World class service offering**

Thomas Malmborg, SVP, Kalmar Services

Christian Bjorne, VP, Hiab Sales & Services EMEA

Anna Almlöf, VP, Hiab Services

John Carnall, SVP, MacGregor Services

## **Build world class leadership**

Mikko Pelkonen, SVP, Human Resources

# Cargotec Investor Relations



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# Disclaimer

These presentations contain forward looking statements which involve risks and uncertainty factors. These statements are not based on historical facts but relate to the company's future activities and performance. They include statements about future strategies and anticipated benefits of these strategies.

These statements are subject to risks and uncertainties. Actual results may differ substantially from those stated in any forward looking statement. This is due to a number of factors, including the possibility that Cargotec may decide not to implement these strategies and the possibility that the anticipated benefits of implemented strategies are not achieved. Cargotec assumes no obligation to update or revise any information included in this presentation.



# Cargotec in brief

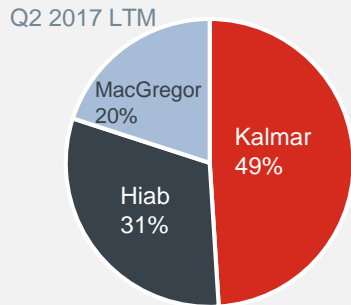
## Key figures Q2 2017 LTM

Orders received:	EUR <b>3,212</b> million
Sales:	EUR <b>3,425</b> million
Operating profit <sup>1</sup> :	EUR <b>258</b> million (7.5% margin)
Service and software sales:	EUR <b>1,037</b> million
Cash flow from operations:	EUR <b>278</b> million
Employees:	<b>11,147</b>

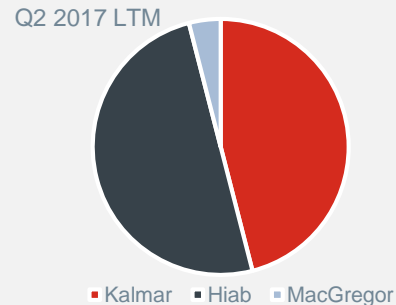
## Investment highlights

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

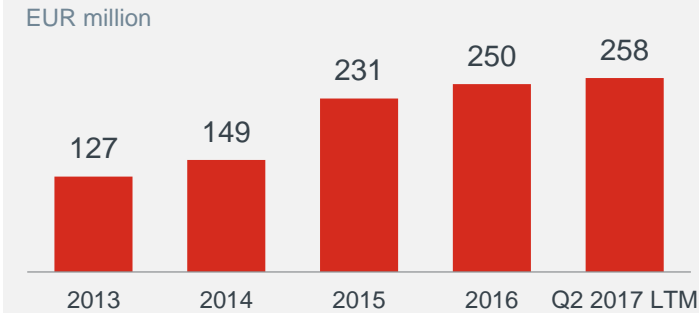
## Net sales split by business area



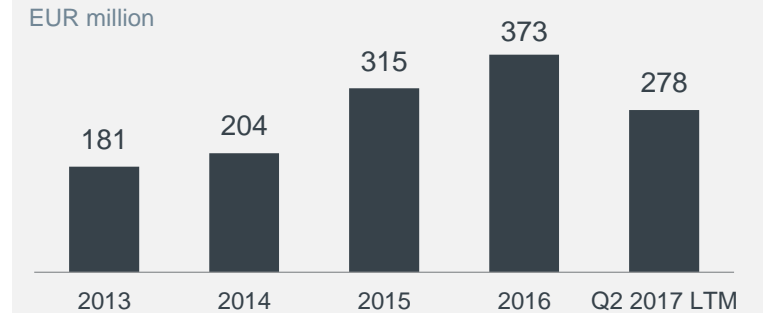
## EBIT<sup>1</sup> split by business area<sup>2</sup>



## Operating profit<sup>1</sup> development



## Cash flow from operations



## Cargotec's three business areas in brief

Kalmar	Hiab	MacGregor
<ul style="list-style-type: none"> <li>Solutions ranging from equipment to full automation and software for ports and terminals</li> <li>Net sales (Q2 2017 LTM): 1,680 million</li> <li>EBIT<sup>1</sup> (Q2 2017 LTM): 139 million</li> </ul>	<ul style="list-style-type: none"> <li>World's leader in cargo lifting solutions on the road</li> <li>Net sales (Q2 2017 LTM): 1,059 million</li> <li>EBIT<sup>1</sup> (Q2 2017 LTM): 149 million</li> </ul>	<ul style="list-style-type: none"> <li>Leader in merchant shipping and offshore solutions</li> <li>Net sales (Q2 2017 LTM): 687 million</li> <li>EBIT<sup>1</sup> (Q2 2017 LTM): 11 million</li> </ul>

## Balance sheet (Q2 2017)

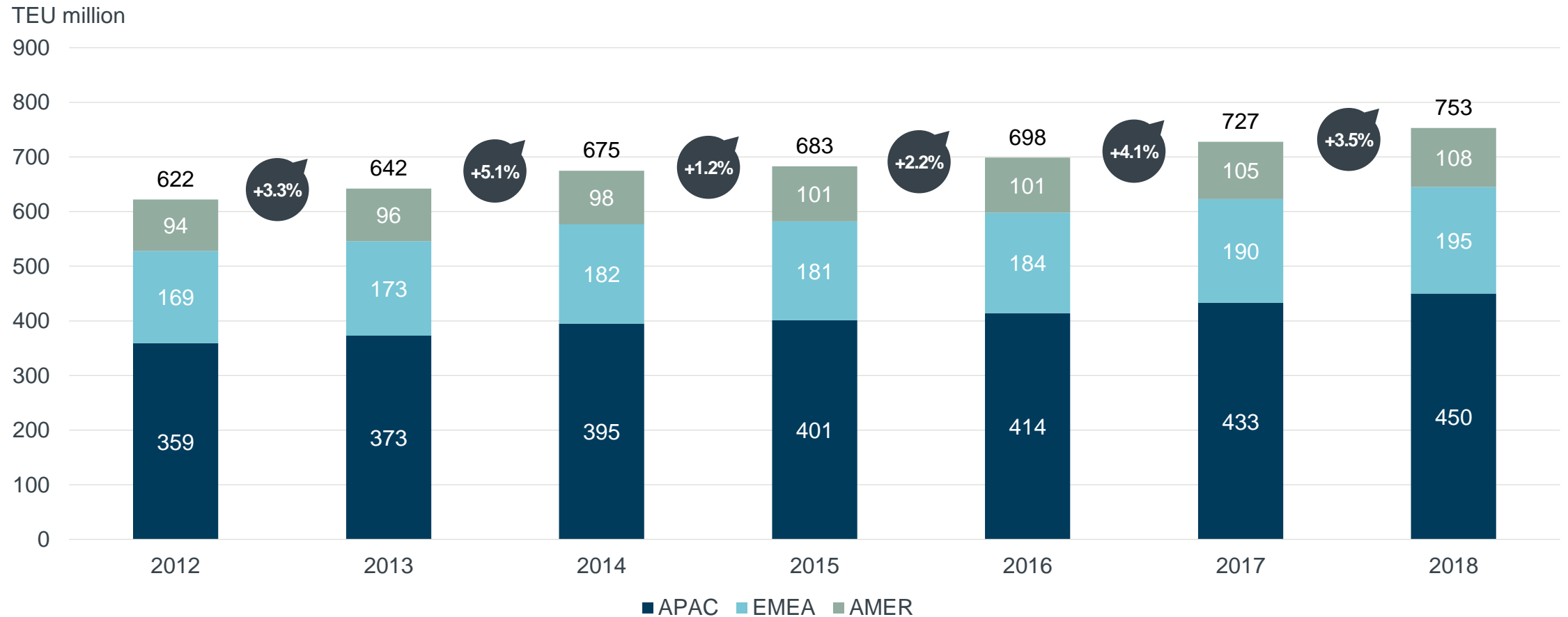
Balance sheet total:	EUR <b>3,541</b> million
Interest-bearing net debt:	EUR <b>599</b> million
Net debt / EBITDA:	<b>2.2</b> (Q2 2017 LTM)
Equity:	EUR <b>1,401</b> million
Gearing:	<b>42.7%</b>
Equity / total assets:	<b>41.1%</b>
Average interest rate:	<b>2.2%</b>

## Financial targets

- Grow faster than the market
- Cargotec operating profit margin **10%** in 3-5 years
- Service and Software sales **40%** of net sales, minimum **EUR 1.5 billion** in 3-5 years
- Increasing dividend in the range of **30-50%** of EPS, dividend to be paid twice a year\*
- **15%** ROCE in 3-5 years
- Gearing below **50%**

\*To be proposed to Annual General Meeting 2018

# Container throughput growth has accelerated in 2017

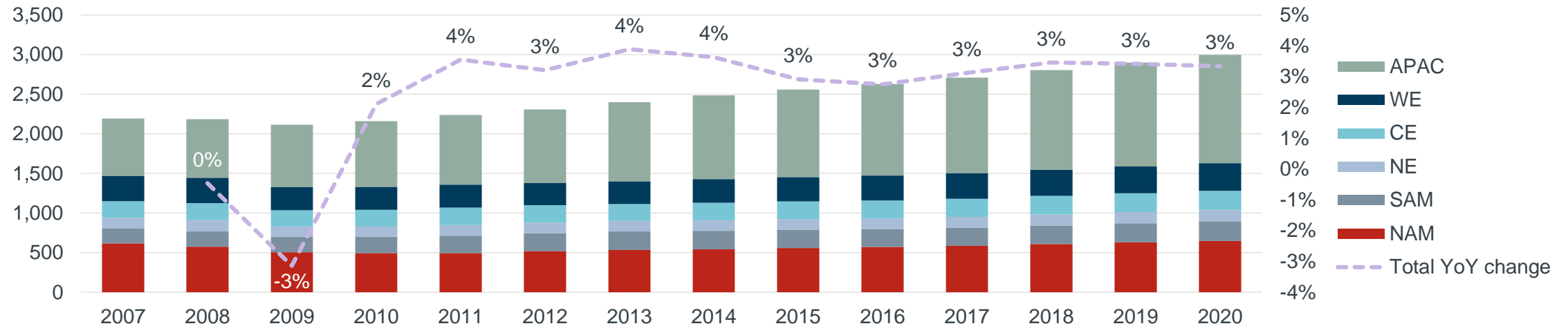


Source: Drewry: Container forecaster Q2 2017



# Construction output forecast

## Annual Construction Output



## Construction output growth by geographical area

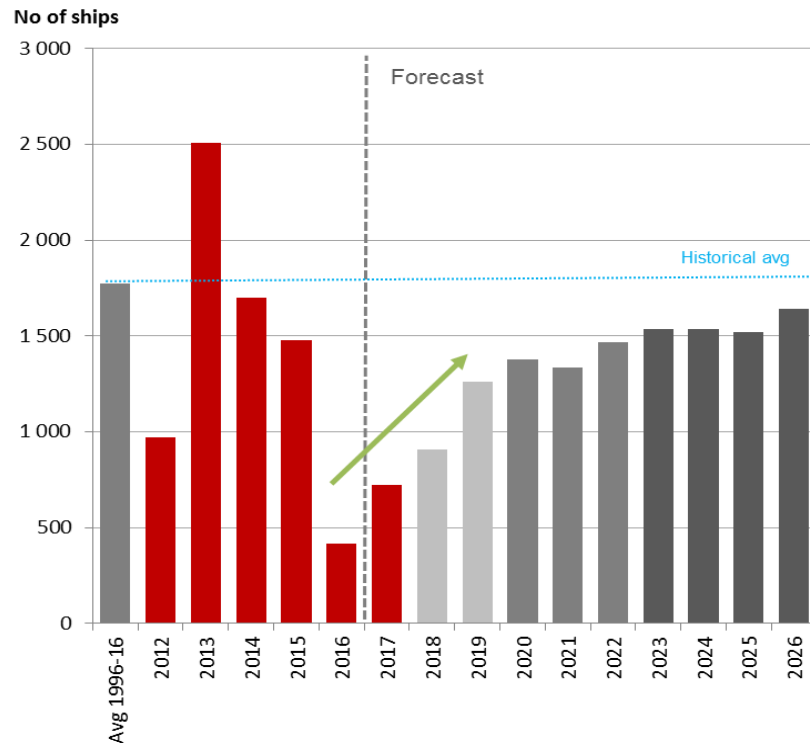
	2015	2016	2017	2018	2019	2020
North America	3.1%	2.3%	2.4%	3.9%	3.5%	2.9%
South America	-1.4%	-2.0%	0.5%	2.6%	2.6%	2.9%
North Europe	1.0%	-0.4%	2.7%	1.5%	1.5%	1.6%
Central Europe	1.6%	1.1%	2.4%	2.1%	1.6%	1.4%
Western Europe	2.2%	3.1%	2.0%	2.3%	2.6%	3.0%
Asia-Pacific	4.5%	4.6%	4.5%	4.2%	4.3%	4.2%
<b>Total</b>	<b>2.9%</b>	<b>2.8%</b>	<b>3.1%</b>	<b>3.5%</b>	<b>3.4%</b>	<b>3.3%</b>

Source: Oxford construction output, June 2017 (All Output series are measured in Billions, 2010 Prices)

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

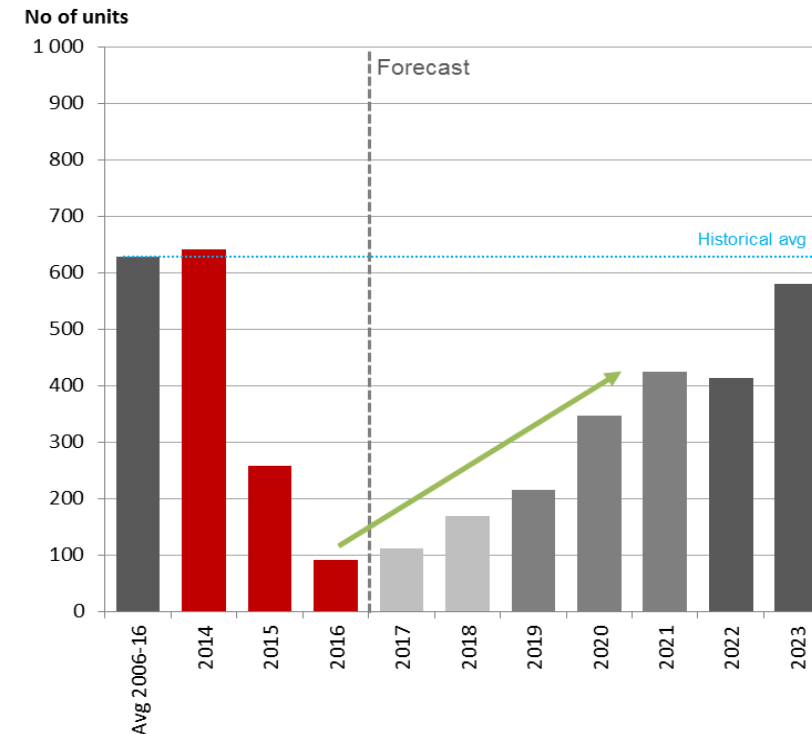
## Long term contracting 2012-2026

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



## Long term contracting 2014-2023

Mobile offshore units



Source: Clarkson, March 2017

# IR calendar in 2017

Date	Event	City
21 September	Roadshow	Madrid
26 September	Roadshow	Stockholm
26 September	Roadshow	Boston
27 September	Roadshow	Montreal
28-29 September	Roadshow	New York
6-27 October	Silent period	
27 October	Q3 2017 interim report	
3 November	Q3 lunch presentation	Helsinki
7-8 November	Roadshow	London
8 November	Roadshow	Edinburg
9 November	Roadshow	Amsterdam
13 November	Roadshow	Singapore
16 November	Roadshow	Hong Kong
20 November	Roadshow	Tokyo
1 December	Hiab Investor Day	Helsinki
6 December	Roadshow	Chicago
7-8 December	Roadshow	New York



# Next IR events for investors and analysts

## Hiab investor day, Helsinki

**1 December 2017**

Speaker: Roland Sundén, President of Hiab

The programme consists of a presentation by Roland Sundén and a Q&A session. The event provides an excellent opportunity to get more in-depth information on Hiab's business and strategy.



## Site visit to Hiab and Kalmar production facility in Poland, Stargard Szczecinski

**28 March 2018**

Site tour to Hiab's multi-assembly unit for loader cranes and forestry cranes as well as Kalmar's new forklift truck production site



# IR video gallery

Easy way to stay up-to-date of Cargotec as an investment and recent events

- Brief reviews of interim reports
- Business area videos
- Interviews and recaps of events

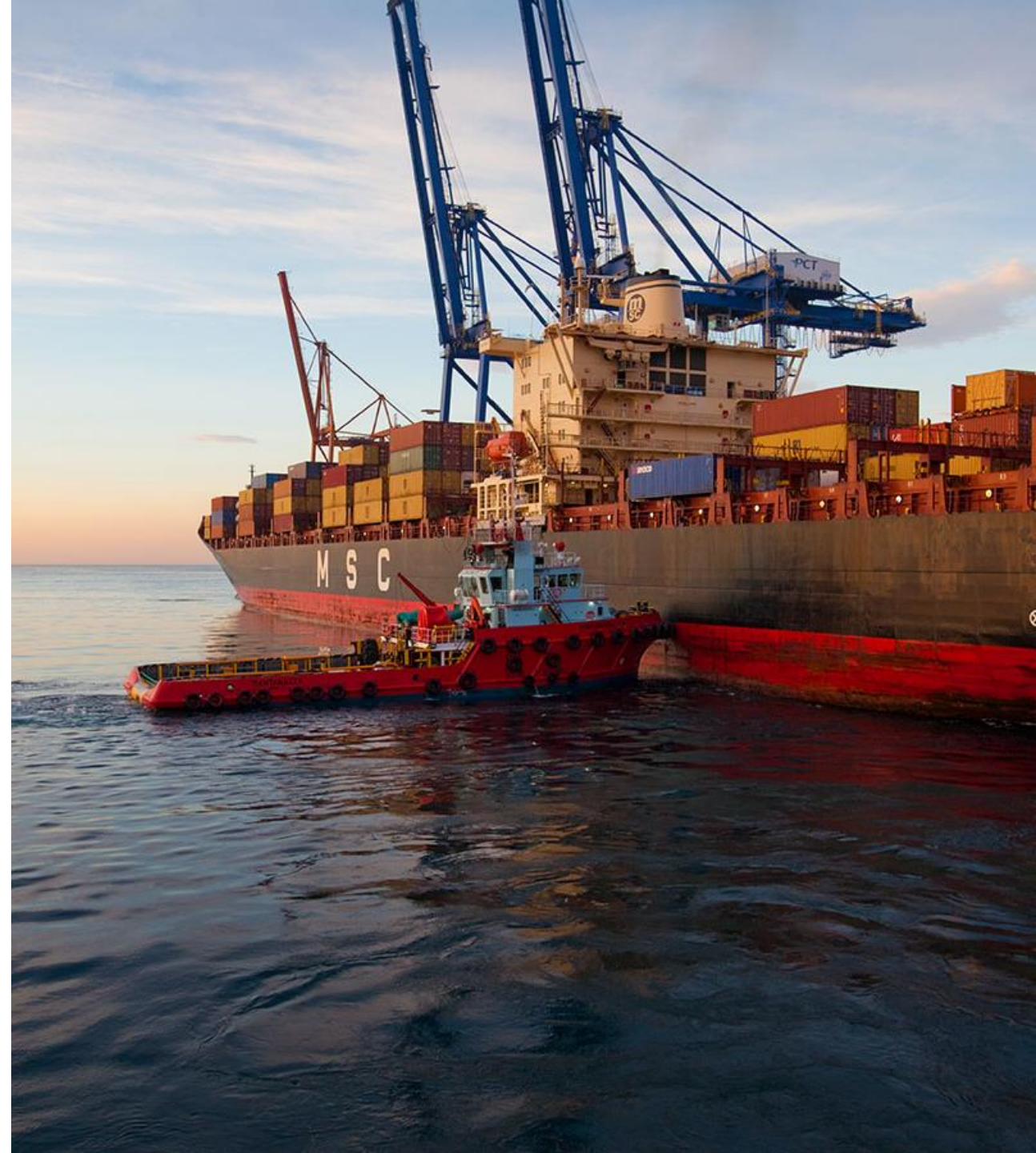




# IR blog

Make sure you follow our IR blog – relevant information of our business to support your investment decision

- Q&As
- Reviews of events
- Comments of results

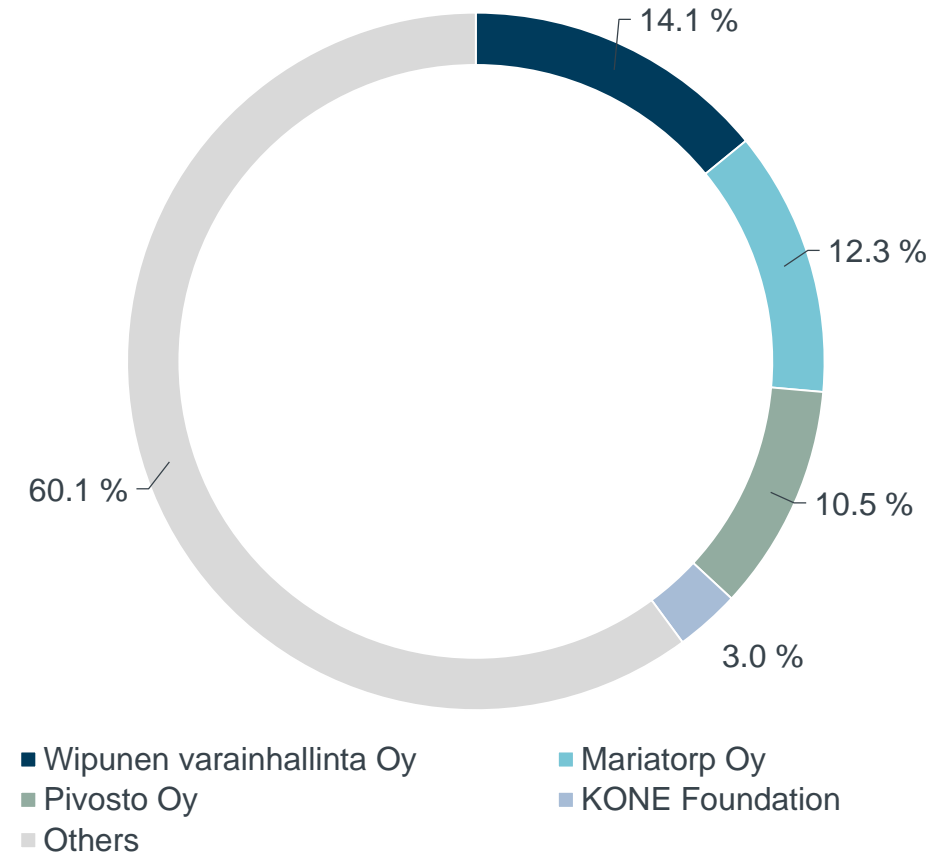


# Largest shareholders

## 31 August 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	1.3	0.6
6.	Ilmarinen Mutual Pension Insurance Company	1.2	0.5
7.	Varma Mutual Pension Insurance Company	0.8	0.3
8.	SEB Finlandia Investment Fund	0.7	0.3
9.	Herlin Heikki Juho Kustaa	0.6	0.3
10.	Sigrid Jusélius Foundation	0.6	0.2
Nominee registered and non-Finnish holders		30.9	
Total number of shareholders		21,080	

% 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.

CEO Mika Vehviläinen

Strong progress in becoming  
the leader in intelligent cargo handling  
and delivering shareholder returns



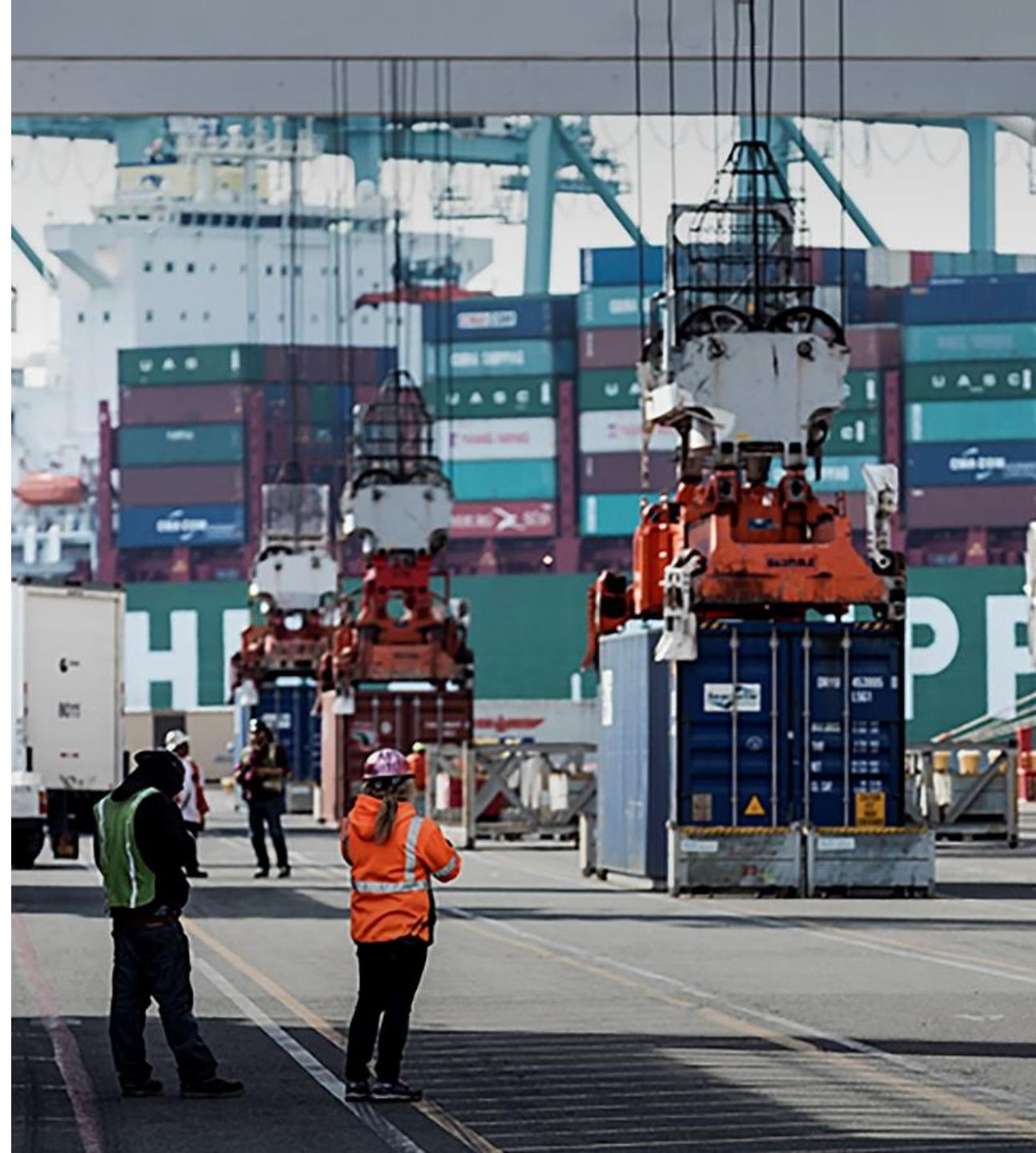
# Strong progress in becoming the leader in intelligent cargo handling

Sustained progress since 2013

Strategy execution well on track

- Digitalisation driving new revenues
- Growing in services
- Leadership as a competitive advantage

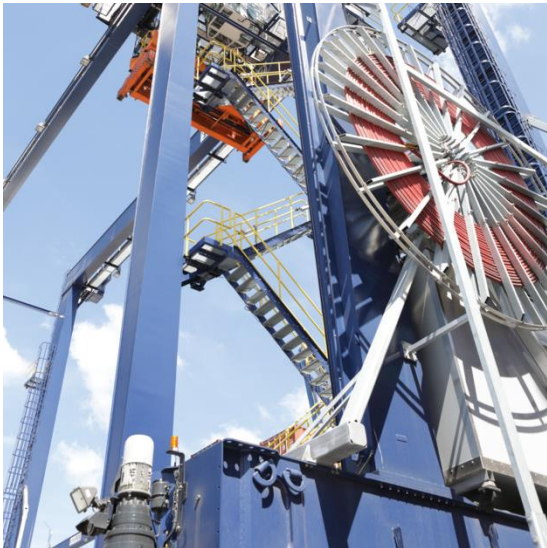
Financial targets reflect our confidence in growing shareholder returns



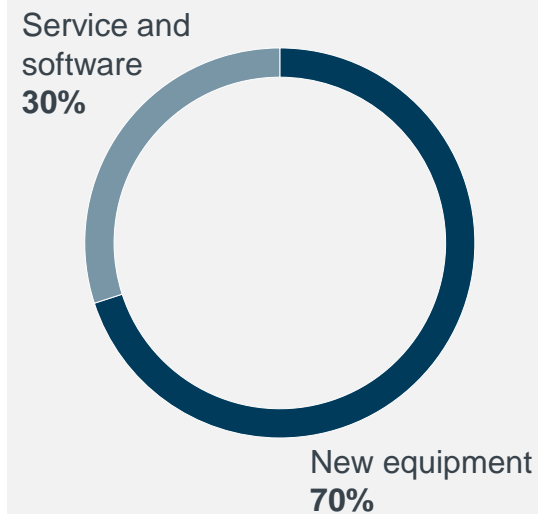


# Strong global player with well-balanced business

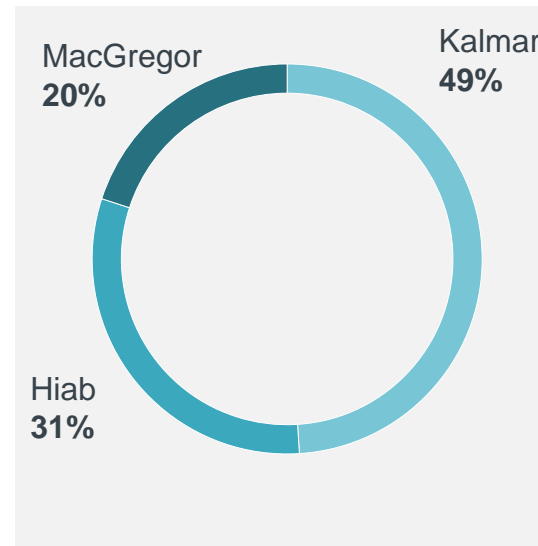
**Sales:**  
EUR 3,425 million  
**EBIT: 7.5%**



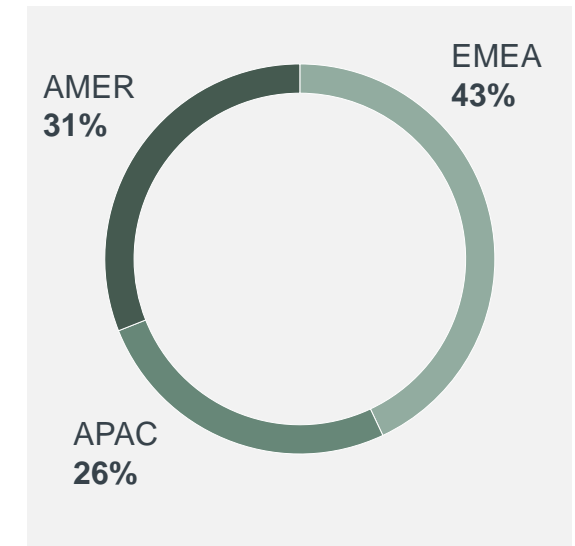
**Sales split: new equipment vs service and software**



**Sales by business areas**



**Sales by geographical area**



## Strengths we are building upon

Leading market positions  
in all segments

Strong brands

Loyal customers

Leading in technology

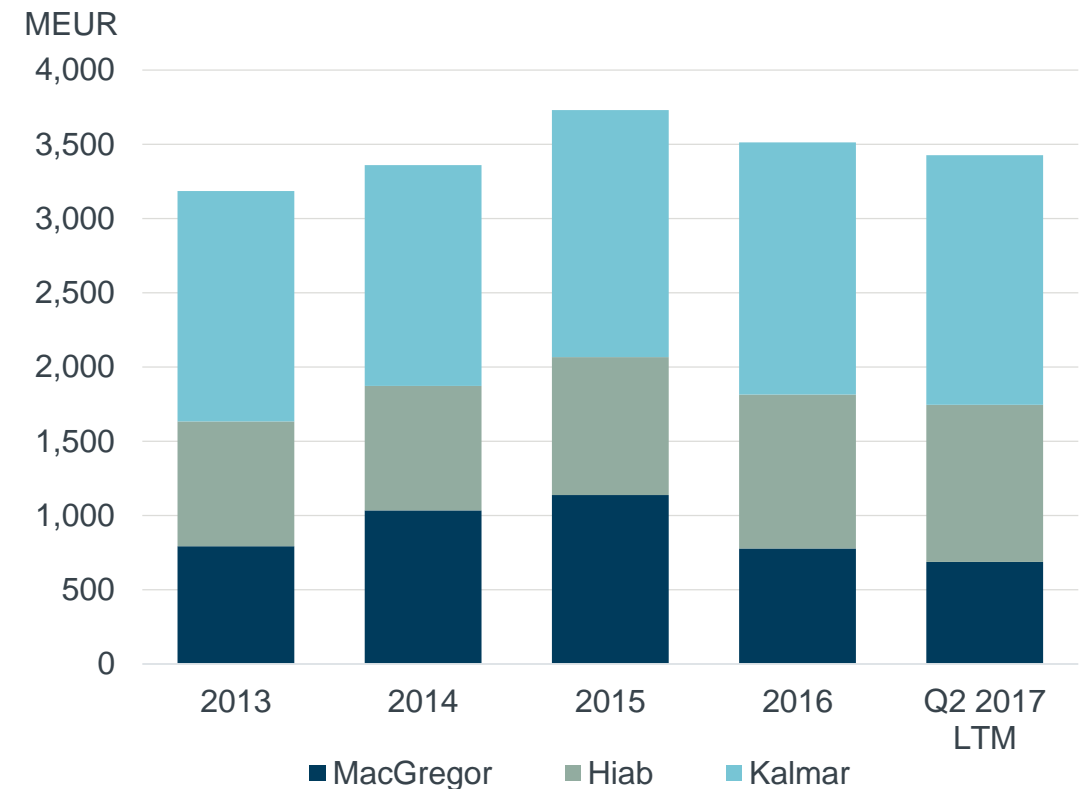
# Solid growth in Hiab and Kalmar...

Kalmar growth driven by services, software and mobile equipment

Hiab growth strong in Americas and Europe, supported by successful R&D

MacGregor sales decline due to difficult market environment

**Sales growth +8% since 2013 despite shipping downturn, +15% excluding MacGregor**



LTM=Last 12 months (Q3/16-Q2/17)

# ...with operating profit\* more than doubling

Kalmar's operating profit\* has increased by 117% since 2013

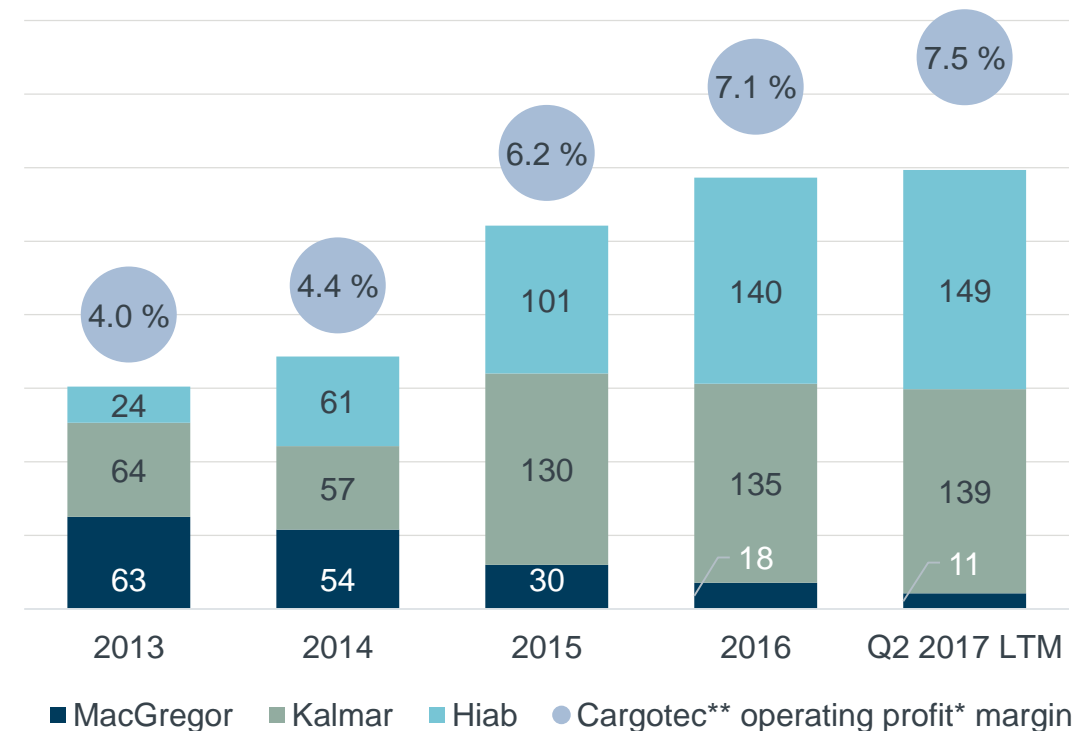
Hiab's operating profit\* six times higher than in 2013

MacGregor's operating profit\* has remained positive despite challenging market situation

Investments into improved control environment paying off

**Operating profit\* has increased 104% since 2013**

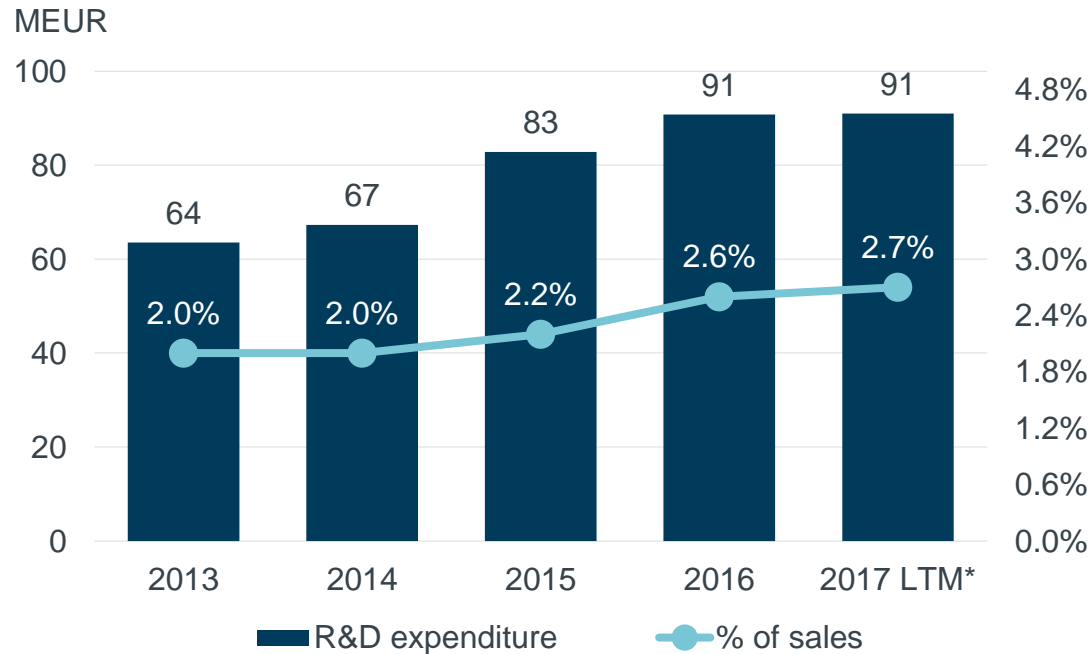
MEUR



\*) Excluding restructuring costs, \*\*) Including Corporate admin and support  
LTM=Last 12 months (Q3/16-Q2/17)

# Growth investments are delivering higher gross profit

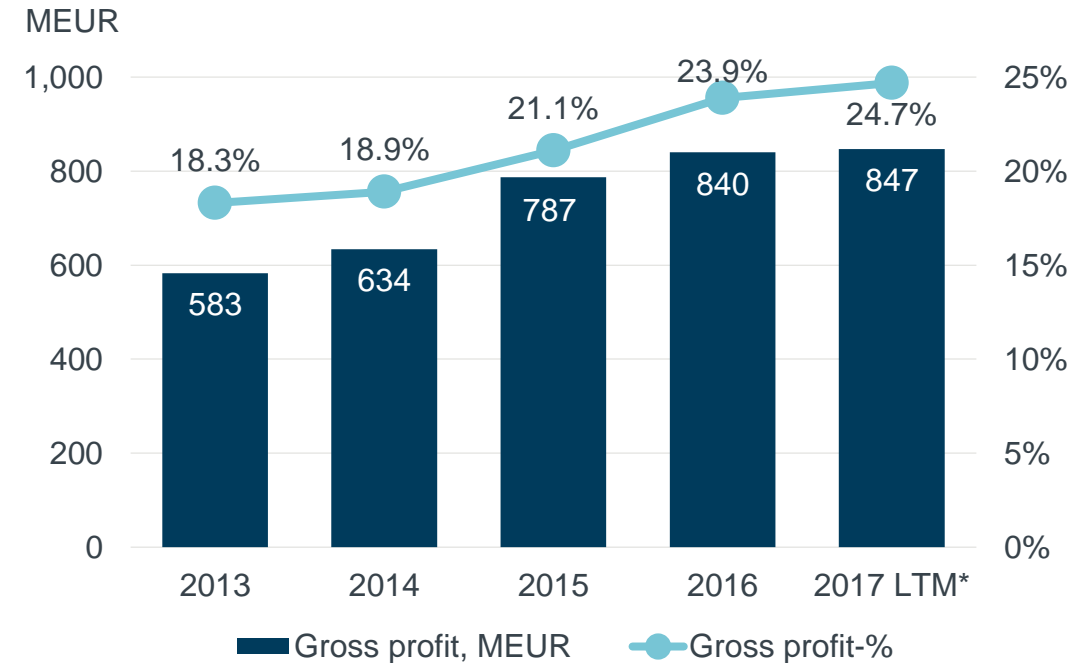
## Research and development



### R&D investments focused on

- Digitalisation
- Competitiveness and cost efficiency of products
- Offering for eco-efficiency

## Gross profit



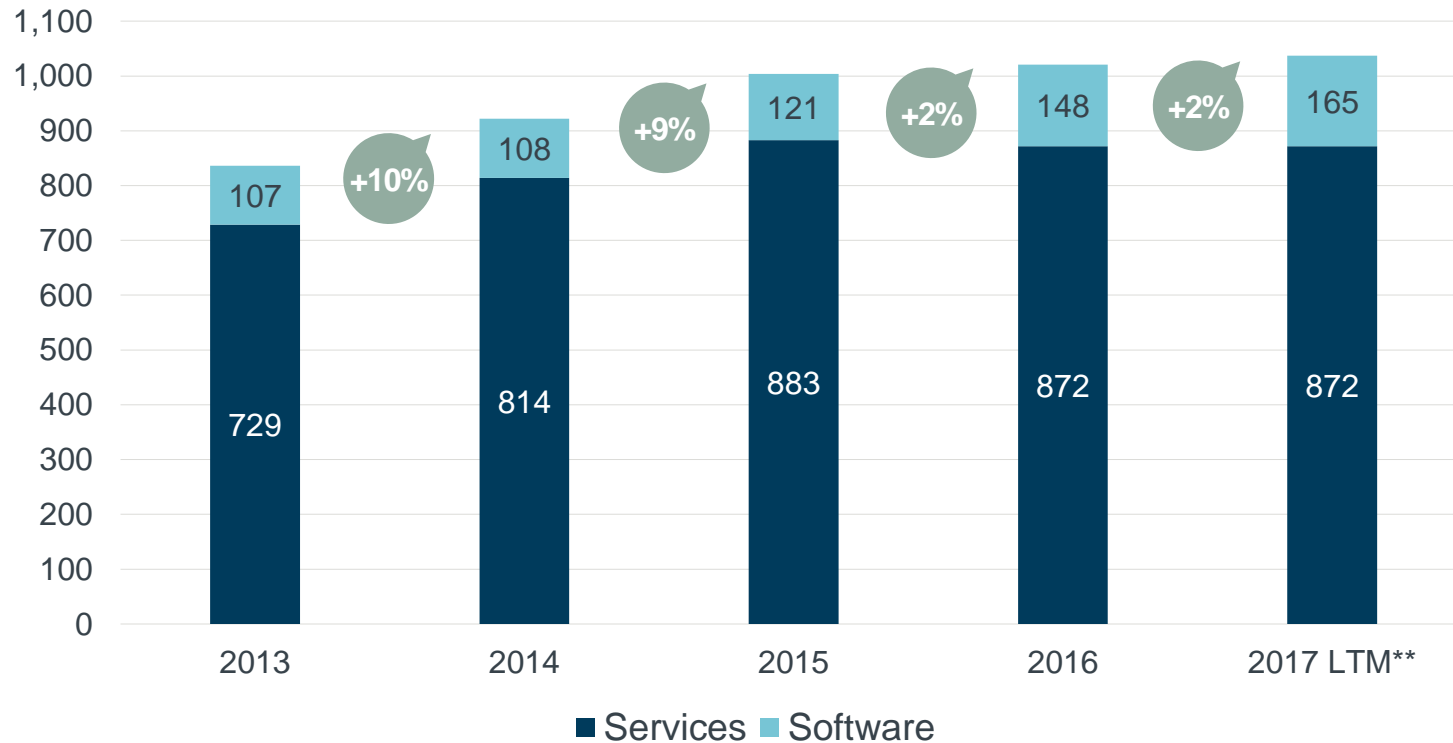
### Gross profit improvement driven by

- New products and product redesign
- More efficient project management

\*) LTM = Last 12 months, Q3/16 – Q2/17

# Services and software annual sales exceed EUR 1 billion

## Services and software\* sales MEUR



## Service and software sales are increasing

Service and software 30% of total sales

- 26% in 2013

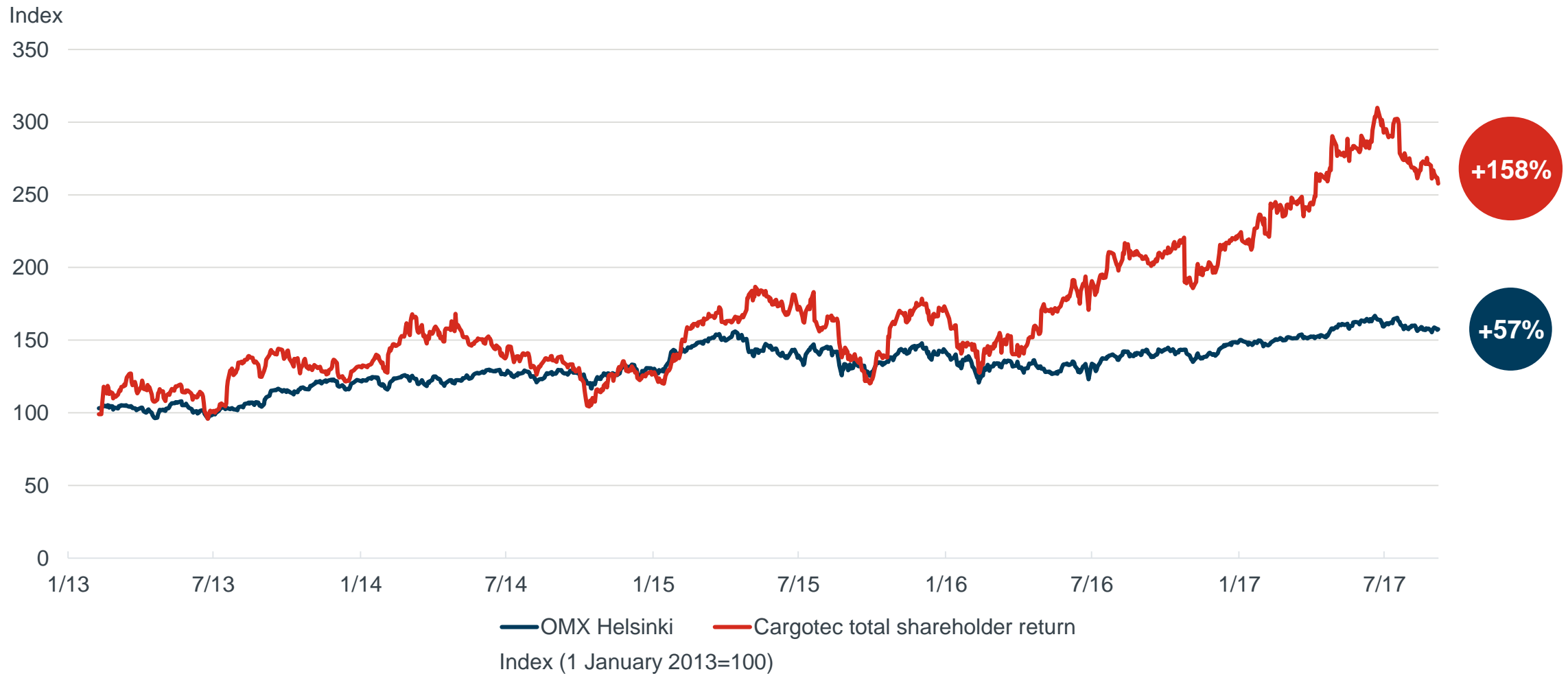
24% increase in service and software sales since 2013

- Kalmar +23%
- Hiab +21%
- MacGregor +33%

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

\*\*) LTM = Last 12 months (Q3/16-Q2/17)

# Our role is to maximize shareholder value across our businesses



# We are 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**

Services 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

Lead digitalisation

World class service offering

Build world class leadership



# Leading cargo flow digitalisation to create new revenues

**DIGITALISATION**  
**SERVICES**  
**LEADERSHIP**

## MAIN ACHIEVEMENTS

### Significantly increased resources and competences

- 100 full-time employees more focusing on digitalisation
- Establishment of the IoT Cloud data platform and connectivity solutions
- Solid 54% growth in software sales since 2013
- XVELA industry collaboration platform introduced
- Digital business accelerator programme

## NEXT STEPS

### All new equipment connected by 2018

- 20+ new digital products to be launched in 2017-2018
- Build on Navis position as industry leader

## FUTURE AMBITION

### Target to double software and digital services revenues during next 3-5 years

- Deliver customer value and drive the industry towards better optimization and sustainability with software, automation, data and collaboration platforms



# Becoming industry benchmark in services

DIGITALISATION  
**SERVICES**  
LEADERSHIP

## MAIN ACHIEVEMENTS

### Dedicated service organizations

- Increased focus on services
- Over 4,000 persons in global service network
- Value adding services product portfolio
- E-commerce platforms launched
- Service sales growth 20% since 2013

## NEXT STEPS

### Increase spare parts capture rates

- Boost service contract attachment rates
- Design to service to enhance spare parts sales
- Enable connectivity for all new equipment
- Strengthen own service network
- Introduce new service products

## FUTURE AMBITION

### Become benchmark in services in our industry

- Culture change from products to customer value
- Capturing increasing value through service-based business models

# Investing in world-class leadership to deliver high performance

DIGITALISATION  
SERVICES  
**LEADERSHIP**

## MAIN ACHIEVEMENTS

**Tailored, data-based leadership model to drive our performance and strategy execution**

- Top 300 and next 700 leaders assessed and trained during 2016-17

## NEXT STEPS

**Complete the roll-out of the leadership assessments and training**

- Personal change planning to help leaders turn around low-performing organizational climates - leader by leader

## FUTURE AMBITION

**Leadership is competitive advantage for Cargotec**

- Leadership performance is embedded in all aspects of the employment lifecycle
- 50% increase in leaders who create high performing organizational climates

# Sustainability is our competitive advantage

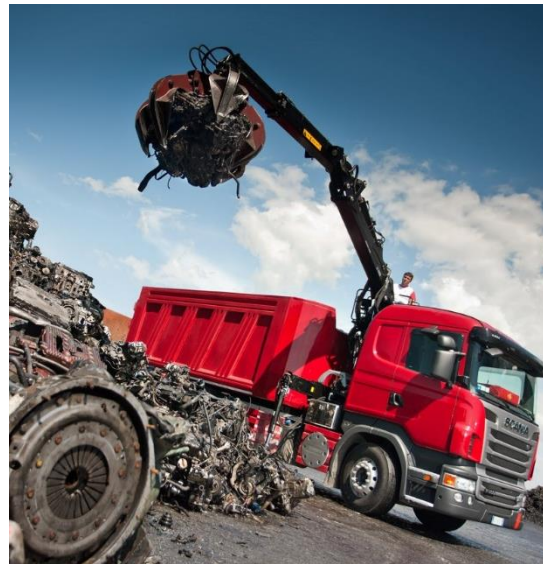
**Sales account for around 20% of the total revenue in 2016:**

Significant R&D and digitalisation investments drive the growth of offering for eco-efficiency

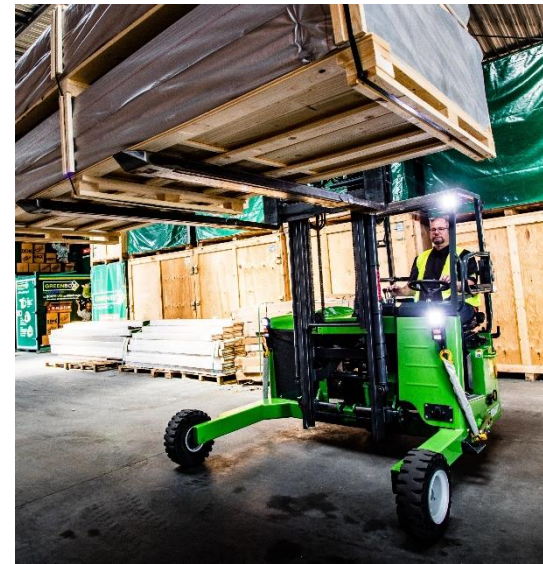
Systems  
efficiency



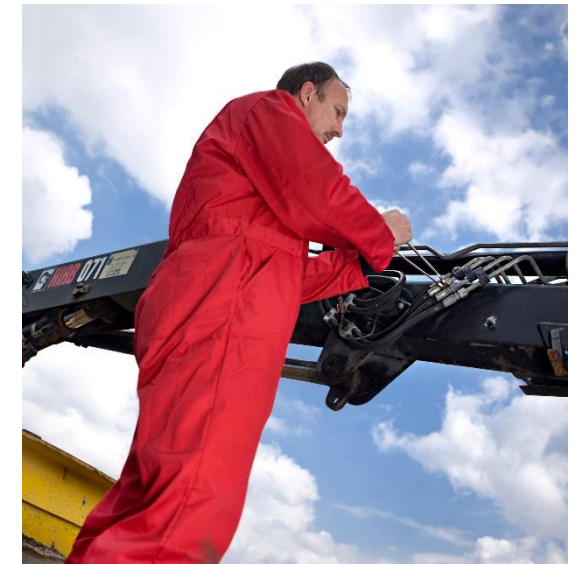
Efficiency for  
environmental industries



Emission  
efficiency



Resources  
efficiency



# Updated financial targets reflect increased stability and profitability

Targets from 2015	New targets	Results
Grow faster than the market	Grow faster than the market	Growth rates 2013 - Q2 2017 LTM per annum (CAGR): Kalmar 2.0%, Hiab 5.9%, MacGregor -3.6%
EBIT margin 10% for each business area over the cycle	Cargotec operating profit margin 10% in 3-5 years	Q2 2017 LTM: 7.5%**
Service and software sales 40% of net sales	Service and Software sales 40% of net sales, minimum EUR 1.5 billion in 3-5 years	Q2 2017 LTM: 30% total EUR 1.04 billion
Dividend 30-50% of earnings per share	Increasing dividend in the range of 30-50% of EPS, dividend to be paid twice a year*	2013-2016: steady 31% p.a. (CAGR) increase in absolute dividend, average 46% of EPS
15% ROCE over the cycle	15% ROCE in 3-5 years	Q2 2017: 10.2% (annualised)
Gearing below 50%	Gearing below 50%	Gearing 42.7% in Q2 2017

\*To be proposed to Annual General Meeting 2018

\*\*Excluding restructuring costs



# Strong progress in becoming the leader in intelligent cargo handling

Sustained progress since 2013

Strategy execution well on track

- Digitalisation driving new revenues
- Growing in services
- Leadership as a competitive advantage

Financial targets reflect our confidence in growing shareholder returns





An aerial photograph of a large port facility at dusk. The scene is filled with numerous container ships docked at long piers, each equipped with multiple gantry cranes. The ground is covered with stacks of colorful shipping containers and several trucks. The sky is a deep blue, and the water reflects the lights from the port. The overall atmosphere is one of industrial activity and scale.

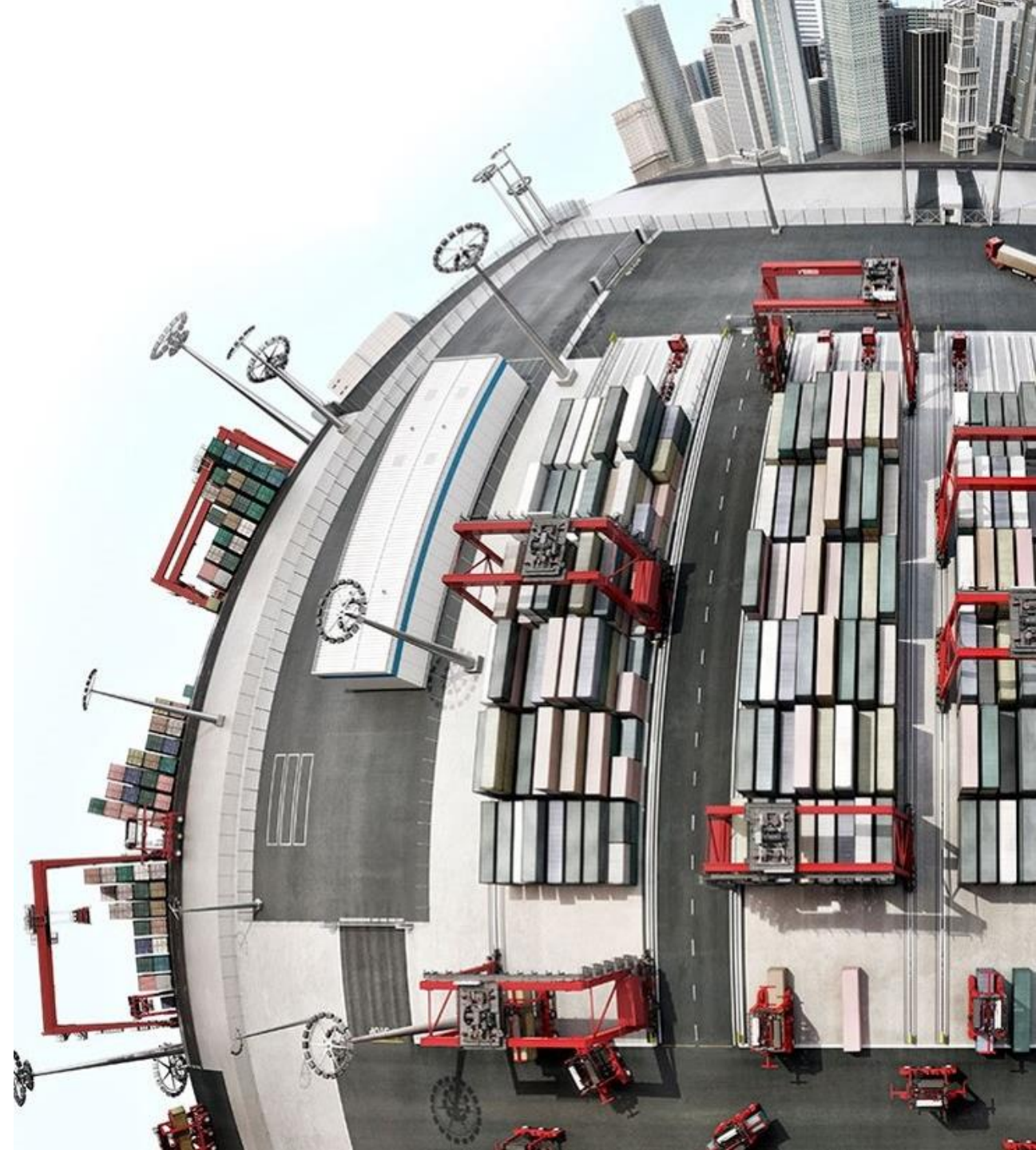
Antti Kaunonen, President, Kalmar

# Shaping the industry through intelligent cargo handling



# Shaping the industry through intelligent cargo handling

- We have continued to improve our profitability
- Services provide the biggest medium term growth opportunity
- Industry mega trends support long term growth in automation and software
- We have a unique position to leverage our references to grow automation and software



# Kalmar in brief and results after CMD 2015





# We deliver industry leading solutions

**navis**

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

**XVELA**

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

**KALMAR**

Ensures a shared interface for all Kalmar automated equipment. Provides integrated port automation solutions including software services and a wide range of cargo handling equipment.

**XVELA**

**Collaboration Platform**

**Maritime Shipping Solutions**

**navis**

**KALMAR**

**BROMMA**

Industry leading spreader manufacturer.

**Terminal Operating System (TOS)**

**Terminal Logistic System**

**Services / Spare Parts**

**KALMAR**

Transfer area

Automatic stacking crane (ASC) area

Automated Horizontal Transportation

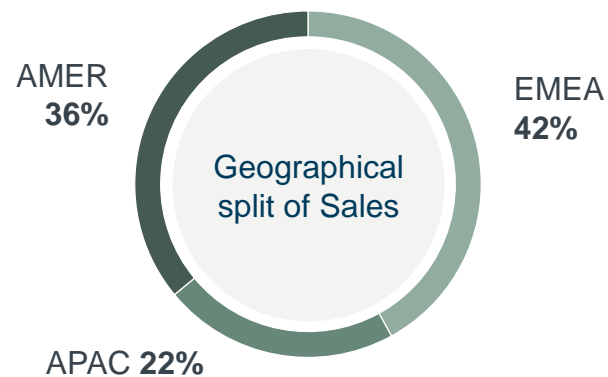
Quay crane area

# Industry leader

Kalmar is the industry leader in terminal automation and eco-efficient cargo handling

MEUR	LTM**
Orders received	1,662
Order book	926
Sales	1,680
Operating profit*	138.9
Operating profit margin*	8.3%
Personnel	5,788

**ZERO** EMISSION  
SOLUTION

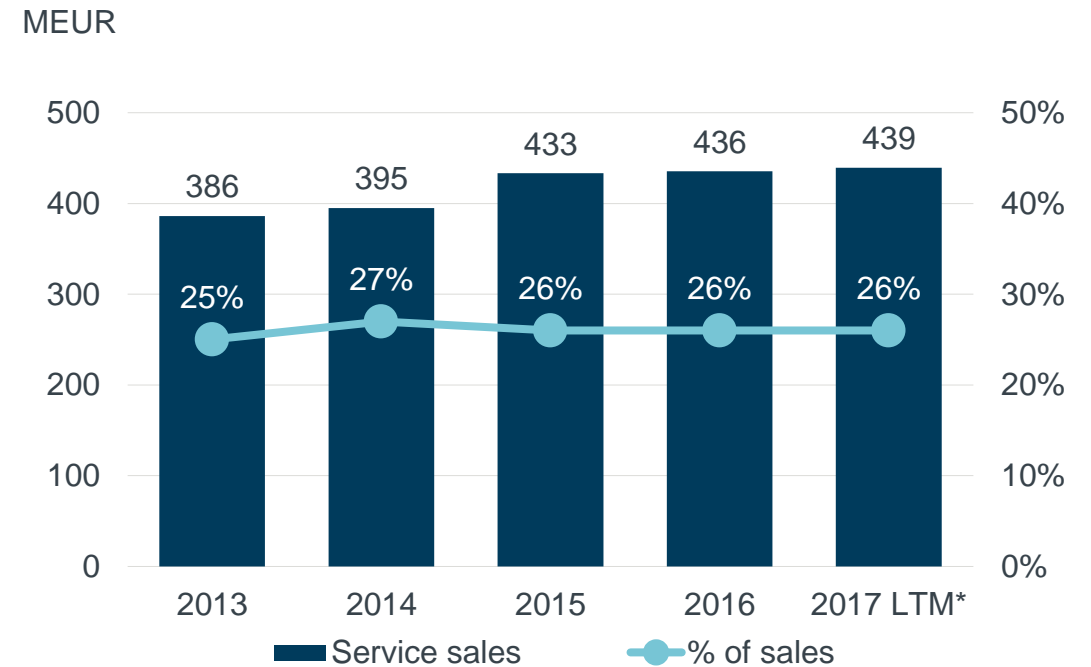
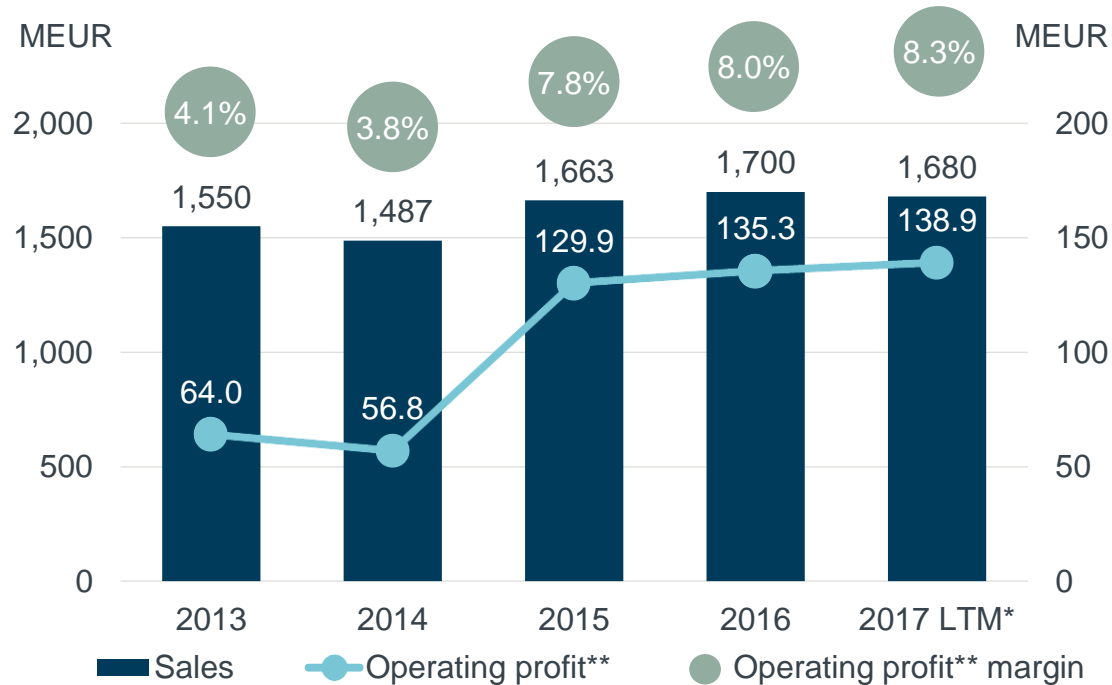


\*) Excluding restructuring costs

\*\*) LTM = Last 12 months (Q3/16 – Q2/17)



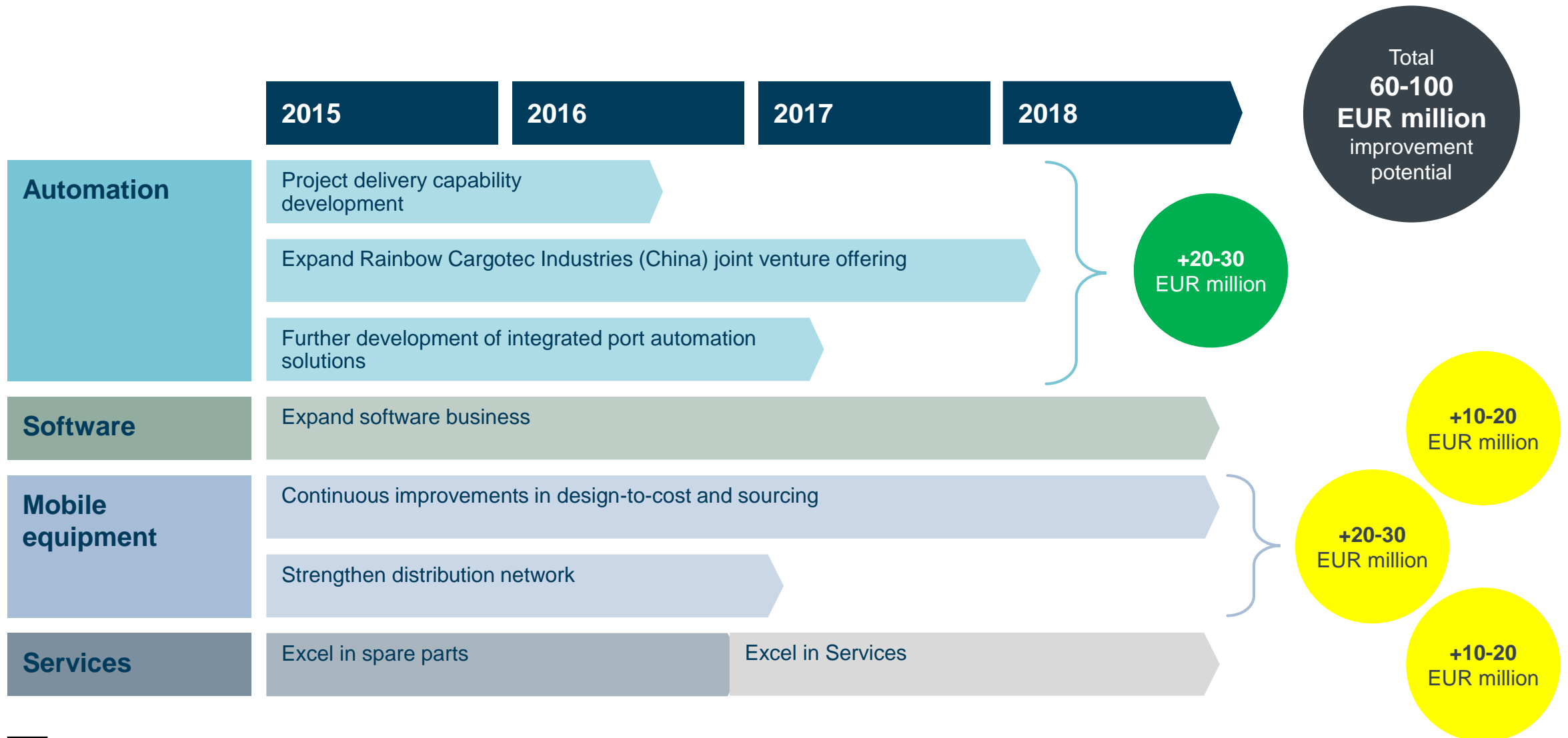
# Our profitability improvement has continued



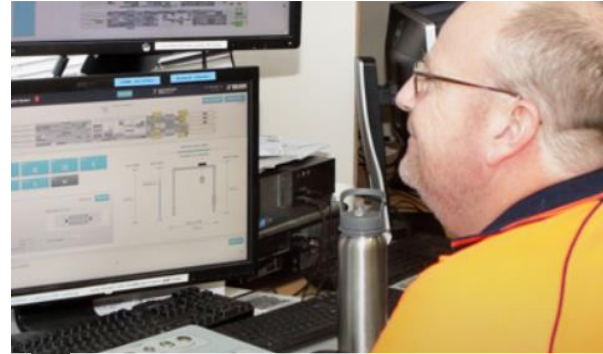
- Improved mega-project delivery capabilities
- Software growth
- Zero emission solutions

- Market leader in China for Reachstackers and Empty Container Handlers
- Absolute € based service growth

# Our profit improvement potential 2015-2018



# Services provide our biggest medium term growth opportunity



Market  
share

Equipment & Projects  
**20-30%**

Software  
**20-30%**

Services  
**3-5%**

Market  
size

**6B€**

**0.5-1B€**

**8B€**



# Future focus on maintenance contracts

## Customer segments:

Ports and terminals,  
distribution and industrial  
handling

### MEUR

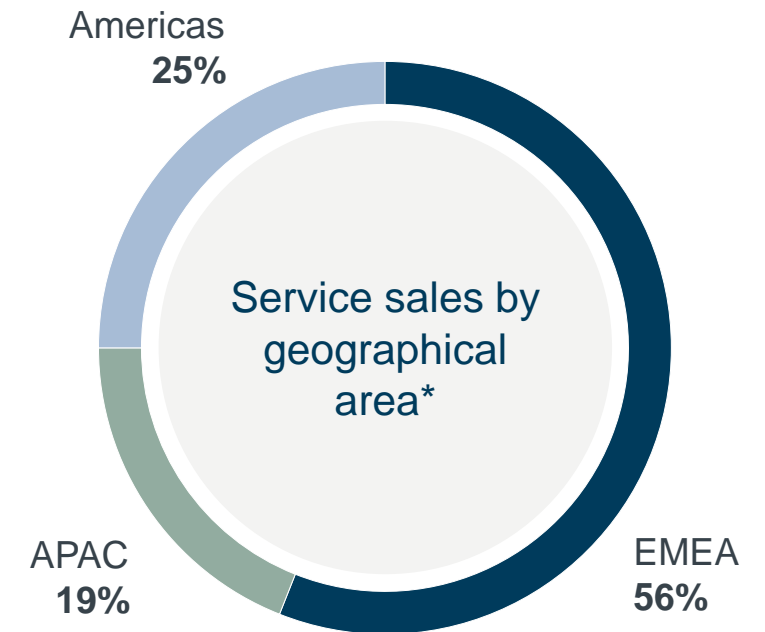
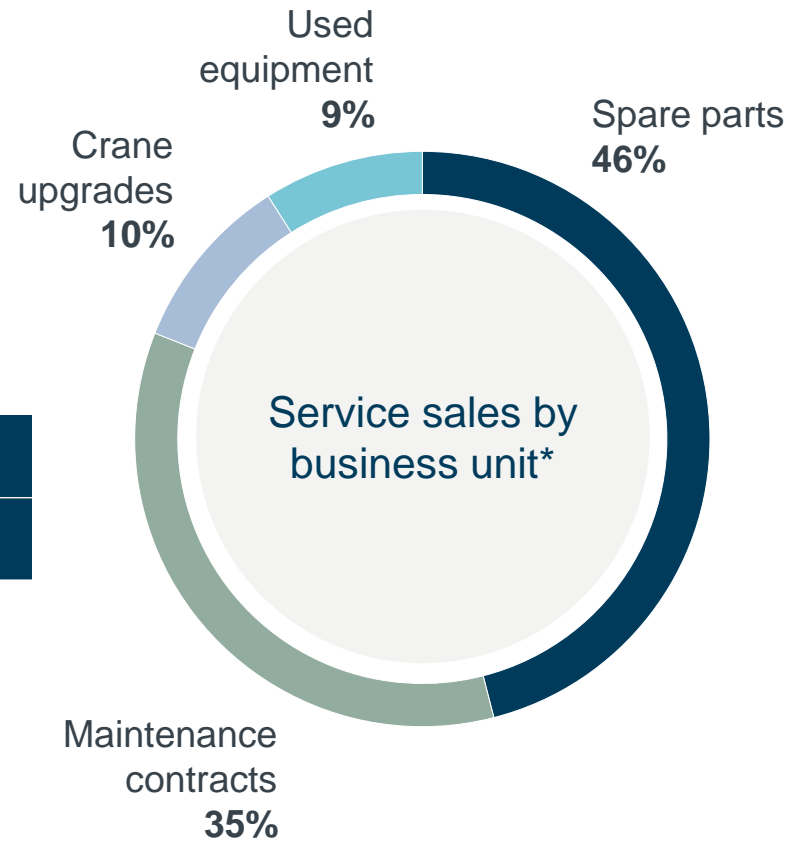
LTM\*

Service orders received

**425**

Service sales

**439**



\*) LTM = Last 12 months (Q3/16 – Q2/17)

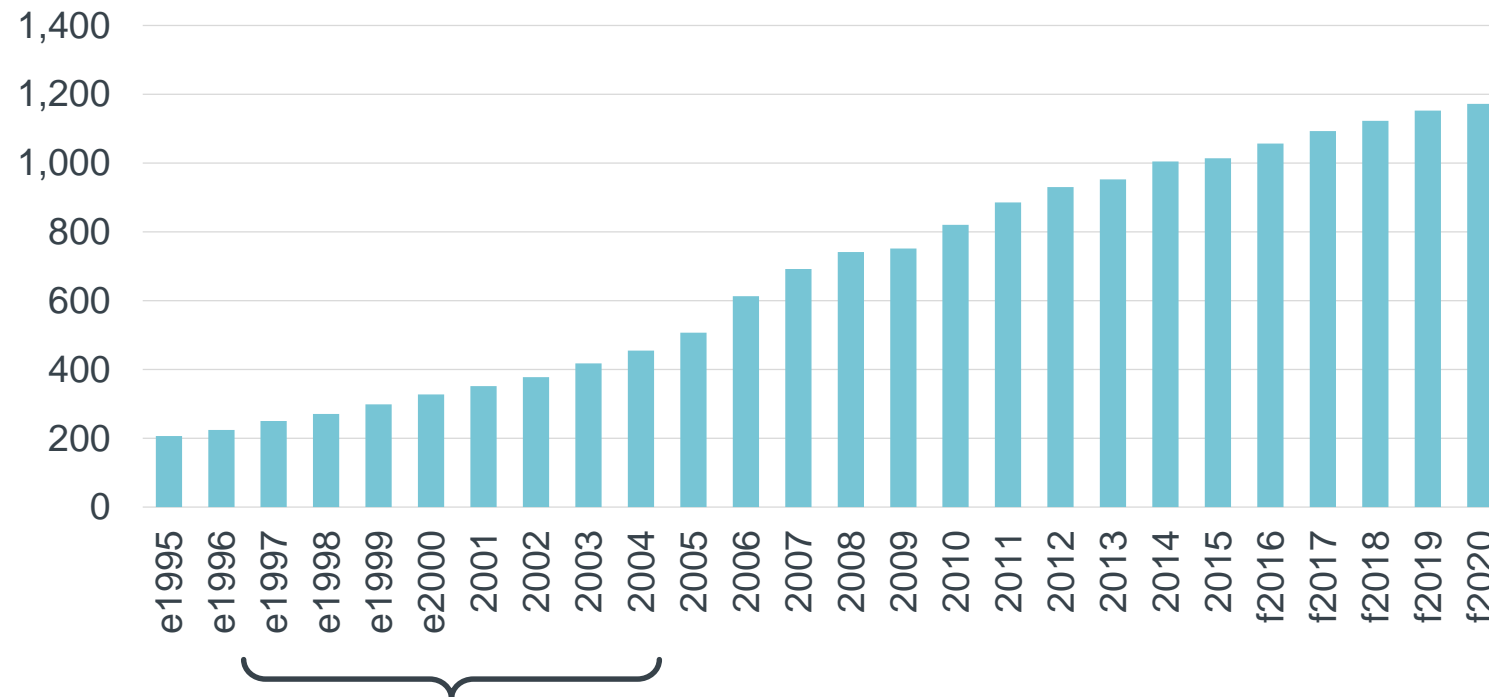
# We have the industry's widest global sales and service network to capture growth

**1,500**  
Kalmar service staff  
in **100+** countries\*

\*) Not including dealers and agents

# The current replacement market size for key terminal equipment is EUR 1 billion annually and the market is expected to double in the next decade

## Total Capacity MTEU



Replacement after lifetime of equipment

The replacement market will grow in coming years, as the container terminal capacity has expanded significantly during the last two decades.

### Average lifetime of type of equipment:

- STS - 25 yrs
- RTG -15 yrs
- SC - 8-10 yrs
- RS/ECH/TT – 8 yrs

Source: Drewry reports: Global Container Terminal Operators 2001-2016 Note: 1995-2000 capacity is estimation based on the assumption that the utilisation rate has been between 70-72% in that period. 2016-2020 forecast based on Drewry's Global container terminal operators report, published in August 2016

# Industry mega trends support long term growth in automation and software

## Mega vessels



Efficiency demands increase as marine transport continues to grow. Larger ships require capacity improvements from port operators.

## Sustainability



Strict emission requirements & growing concern for the environment increase the demand for more intelligent machines with smaller environmental impact.

## Industry consolidation



New alliances between shipping lines are impacting container traffic flows and setting new efficiency standards for port operators.

## Digitalisation & automation



Digital and automated solutions provide new possibilities for port operators to improve efficiency, safety and sustainability.

# Business case for automation has not changed since CMD 2015

Cost saving example in a typical automated terminal

Indexed P&L manual terminal\*

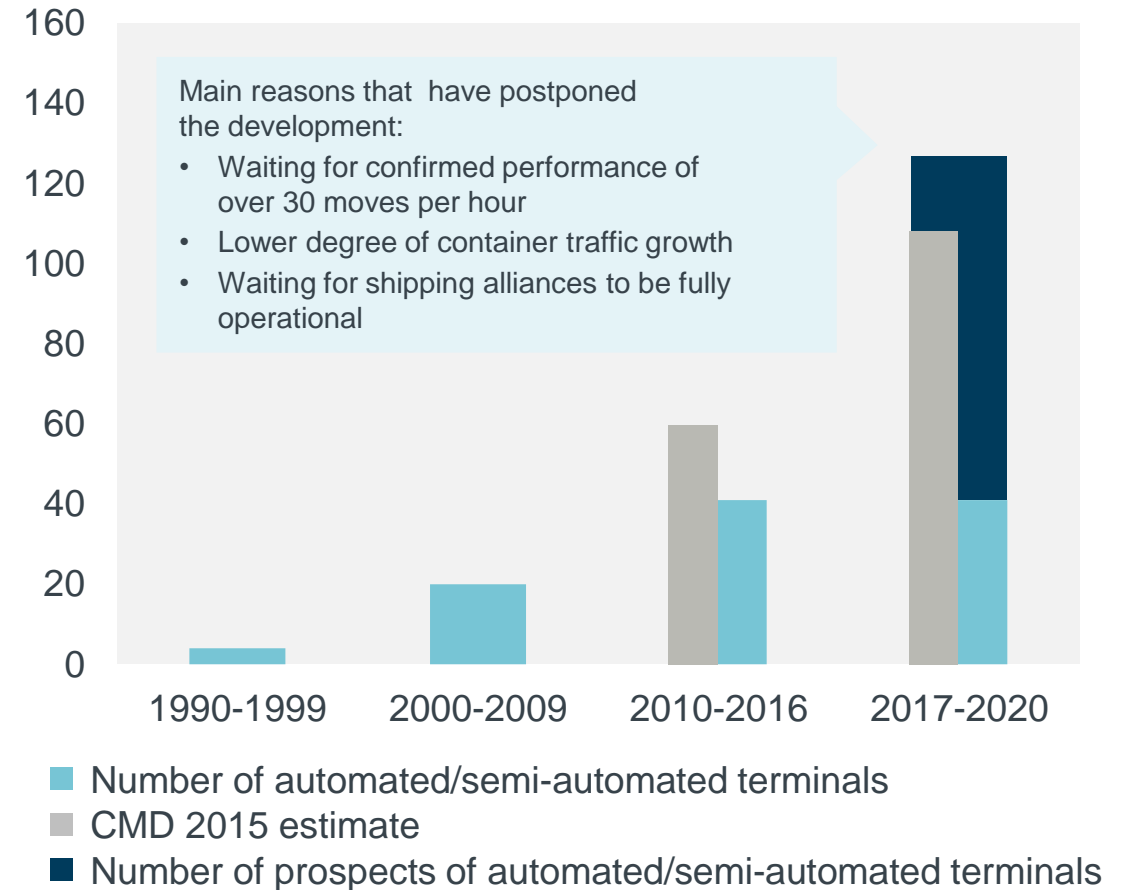
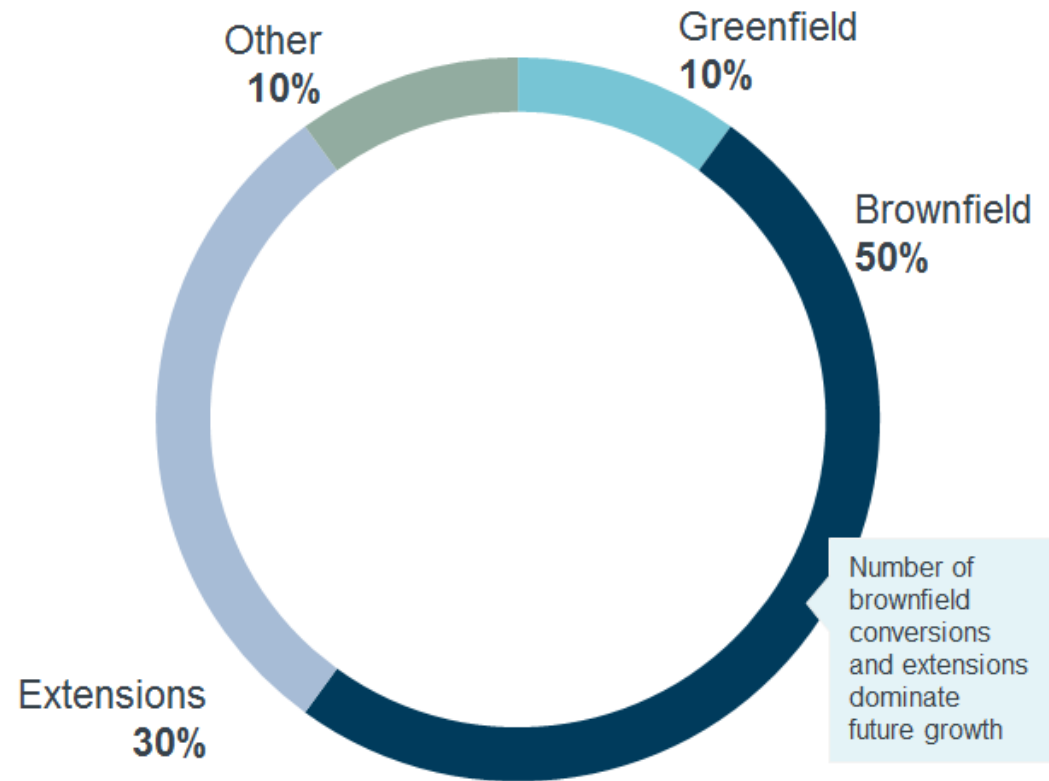
When converted into an automated operation:

Revenue	100			
Labour Cost	40	➔	60% less Labour Costs	16
Maintenance	8	➔	20% less Maintenance	6.5
Power & Fuel	4	➔	25% less Power & Fuel	3
IT	2	➔	50% higher IT	3
Depreciation	10	➔	30% higher Depreciation	13
Other Costs (land, overhead)	18	➔	Assuming same overheads	18
Total costs	82	➔	27% less costs	59.5
Profit	18	➔	125% profit increase	40.5

Additionally, improved safety reduces number of lost working hours, equipment damage costs and insurance premiums

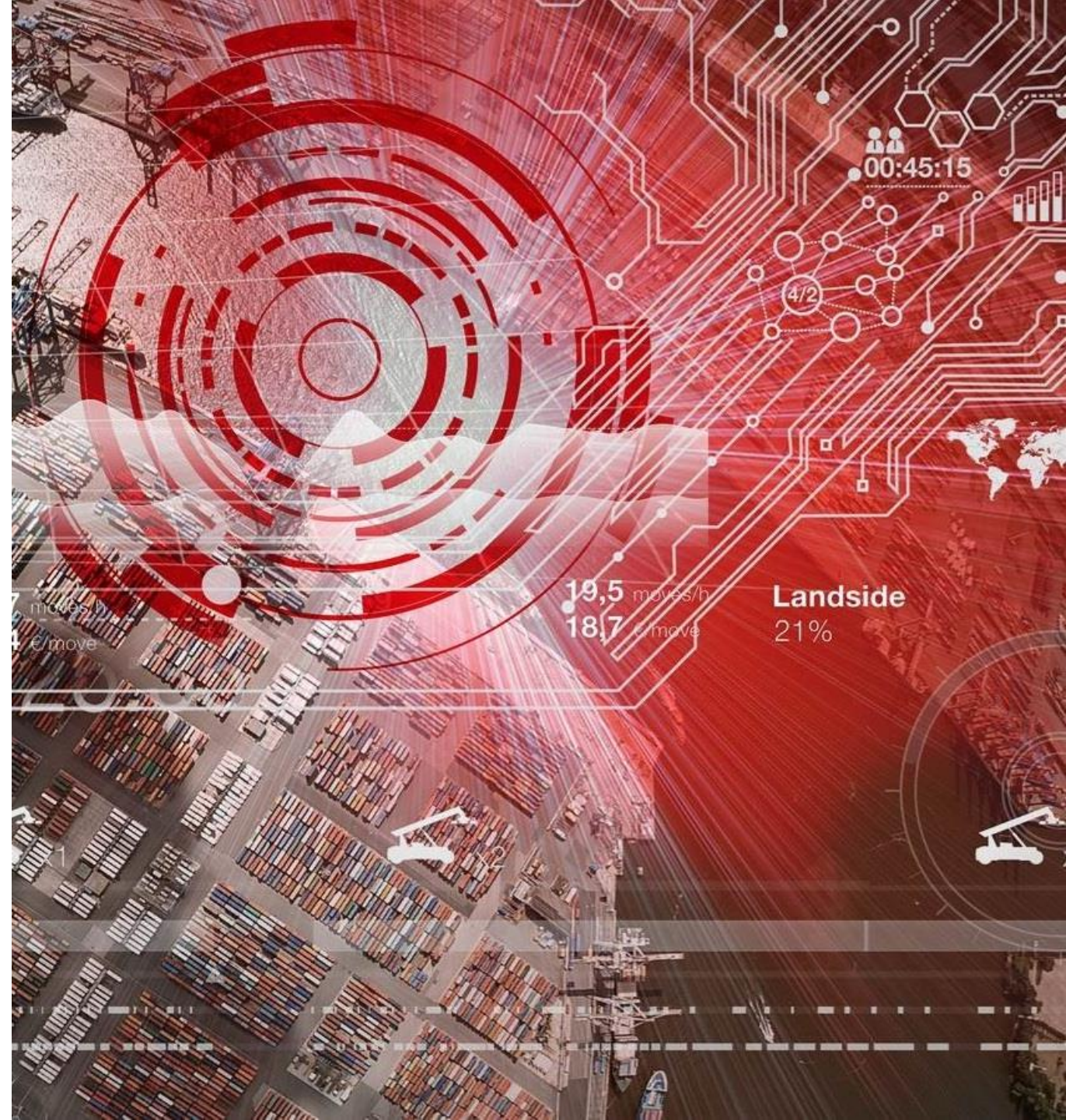
\*) Typical manual operation in Europe

# Number of automated/semi-automated prospects has even grown since CMD 2015 but decisions to go ahead have been postponed





# Software solutions reduce the impact of cyclicality





# Navis Terminal and Carrier Solutions aim to reduce inefficiency and waste in the global supply chain

Planning & Execution: plan and execute all moves across terminal/  
Increases throughput and lowers cost

Analytics for better operational decision making

Capture all billable events for accurate and timely billing

Automate & improve truck turn times

Optimise container yard moves, save cost and reduce moves

Optimise vessel load and discharge across cranes

Optimise rail load and discharge processes

**€17 BILLION**  
of waste and inefficiency

Optimise vehicle routing and costs

Track vessel operational performance and environmental compliance

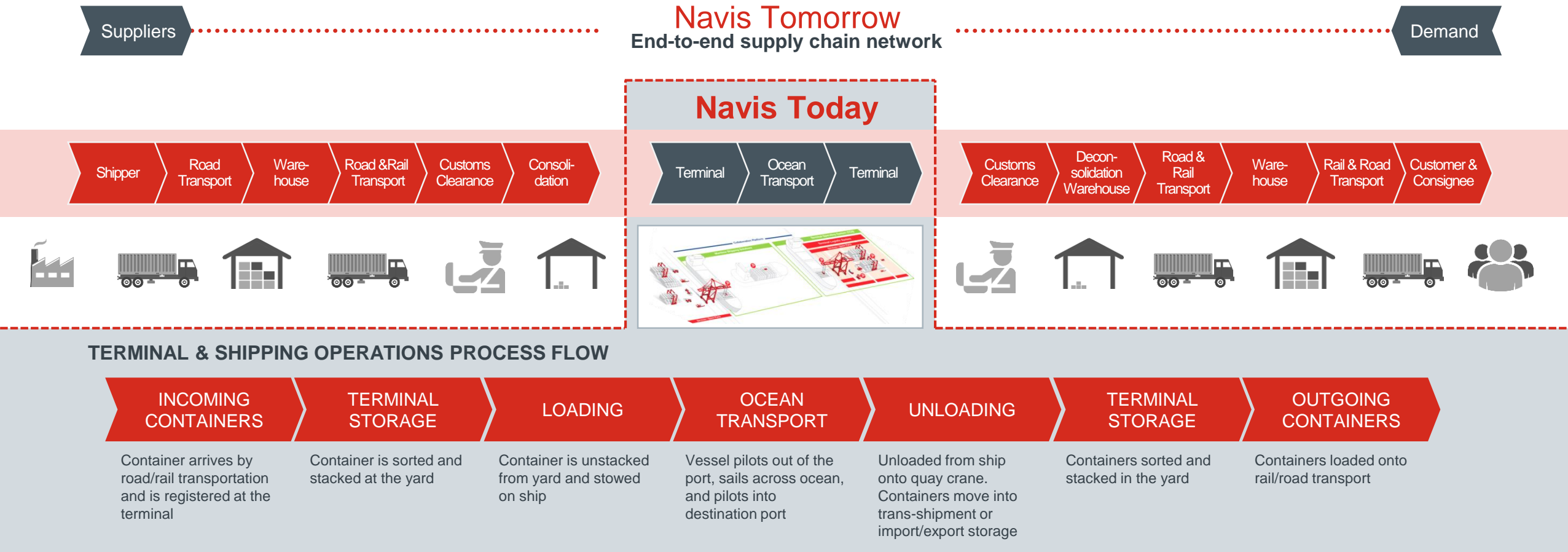
Optimise vessel stowage planning

Ensure seaworthy loading of vessels

Source: McKinsey



# Navis is well positioned for further growth in the end-to-end value chain





# VICT: Fully automated turnkey greenfield terminal in Melbourne

- 11 Kalmar AutoShuttles
- 20 Kalmar Automated Stacking Cranes
- Kalmar Automated Truck Handling
- Fully integrated Kalmar TLS with Navis N4 TOS
- System integration services

“Through Kalmar, we will be able to leverage their knowledge and experience from similar automation projects throughout the world and get an integrated system comprising the equipment TLS from Kalmar and the terminal TOS from Navis. We believe that this approach to use a key partner for equipment and software services will help us optimise the operational performance for the future.”

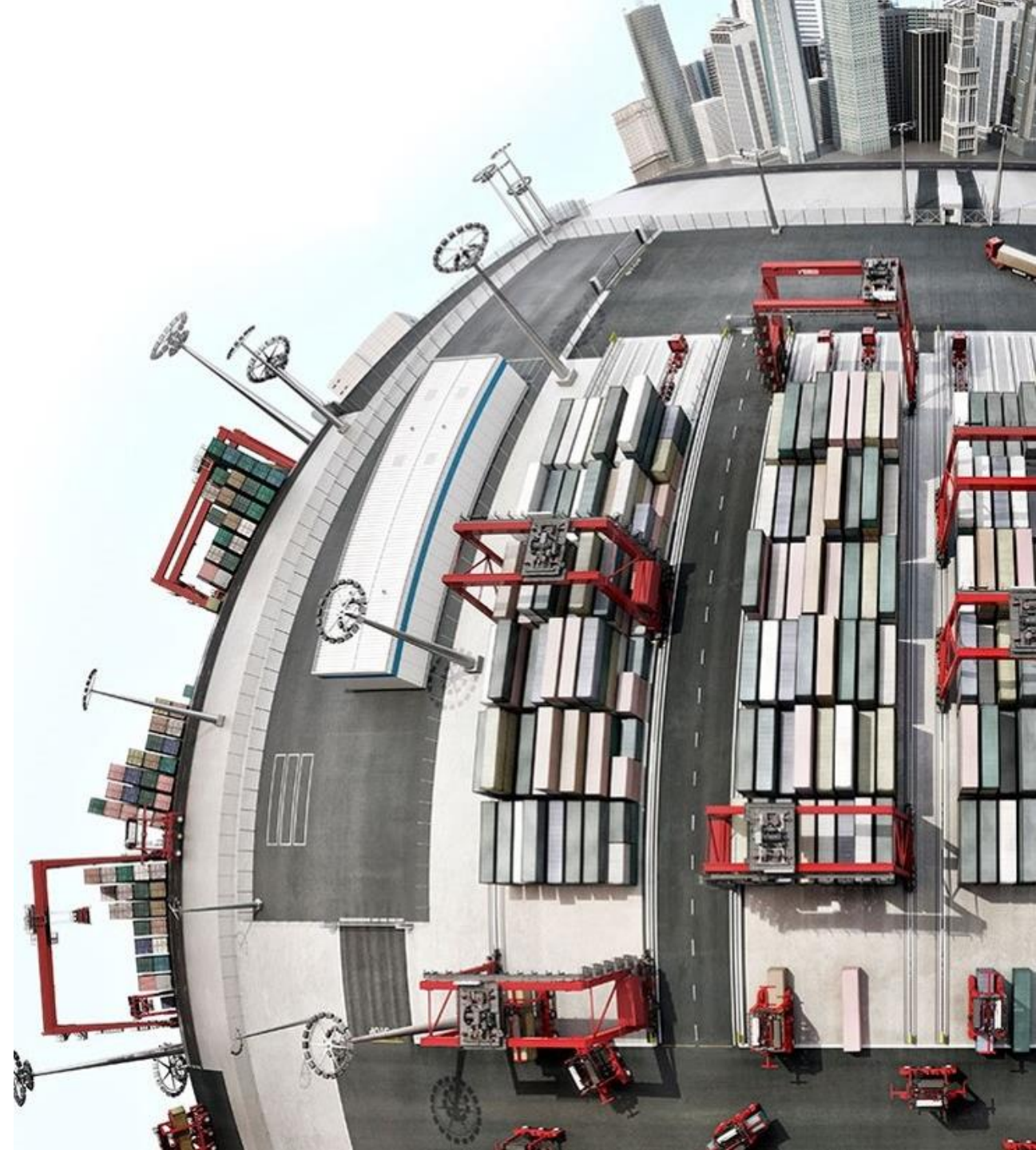
**Christian R. Gonzalez**

Head of the Asia-Pacific region  
ICTSI



# Shaping the industry through intelligent cargo handling

- We have continued to improve our profitability
- Services provide the biggest medium term growth opportunity
- Industry mega trends support long term growth in automation and software
- We have an unique position to leverage our references to grow automation and software





A large group of approximately 20 Hiab employees, including men and women of various ages, are posed in several rows in front of a modern industrial building. A large blue Hiab T-HIDUO 029 crane is visible on the right side of the frame. The building has a sign that reads 'AUTHORISED DEALER' and 'HIAB MOFFETT MULTILIFT'. The entire image has a blue color overlay.

Roland Sundén, President, Hiab

**Pioneering Hiab**  
well positioned for further profitable growth



# Well positioned for further profitable growth

Accelerated our growth and delivered strong business results

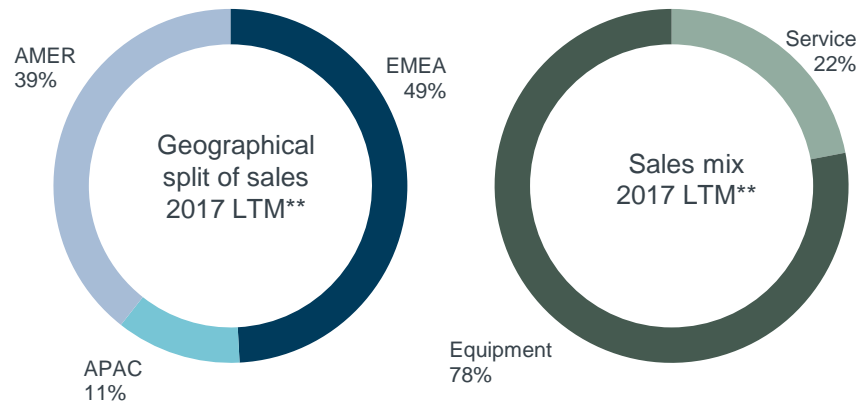
Strengthened our equipment and service leadership positions

Capturing further growth opportunities





# Hiab – a global leader in on-road load handling

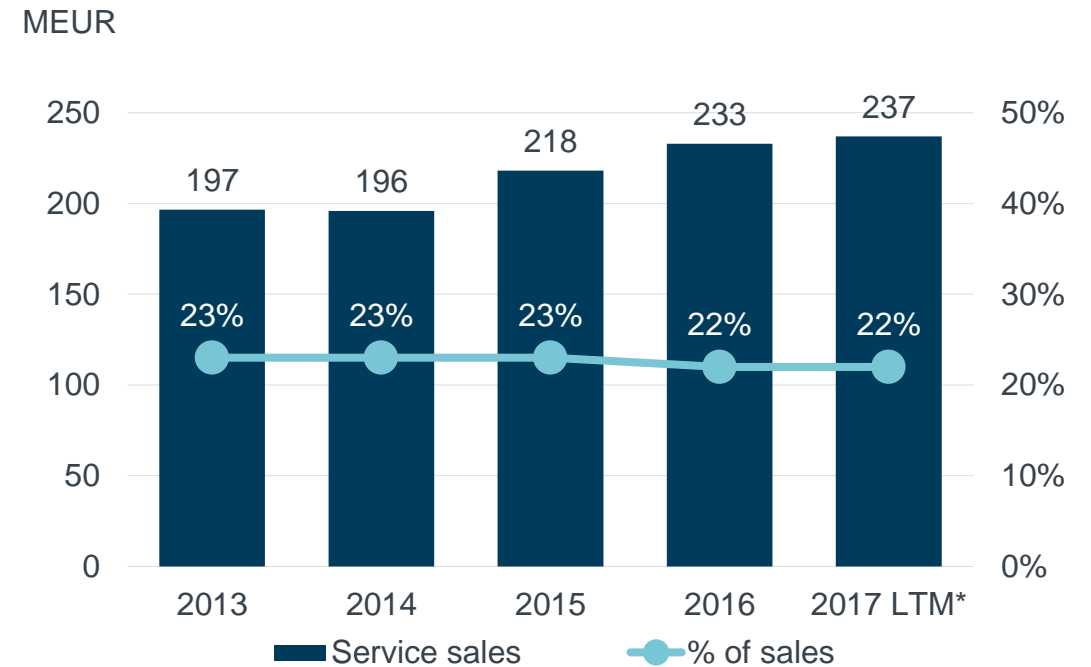
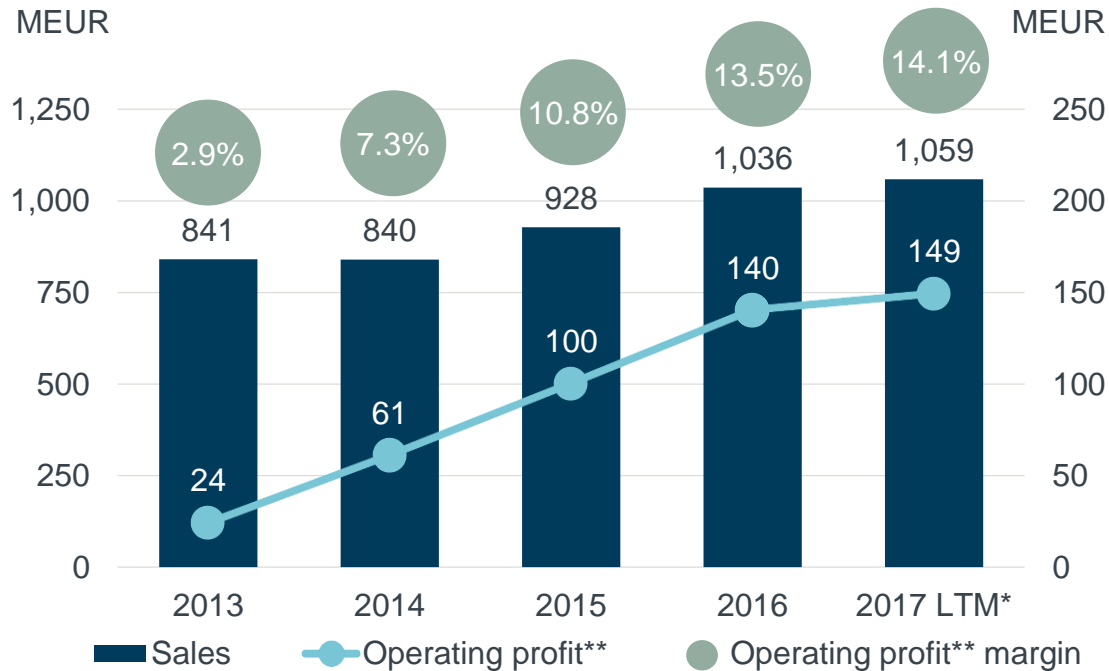


MEUR	Q2 2017 LTM**
Orders received	1,069
Order book	290
Sales	1,059
Operating profit*	149.5
Operating profit margin*	14.1%
Personnel	3,167

- Global leader in on-road load-handling equipment and solutions
- Strong brand reputation and loyal customer base
- Comprehensive sales & service network, present in >120 countries
- Total offering of state-of-the art equipment, services, and connected solutions
- Ambition to be the number one partner, inspiring and shaping the industry



# Excellent business performance development



- Outperformed market in sales & service execution
- Growth in key regions and all equipment segments
- Reinvest in portfolio, distribution, digital offering

- Built world-class infrastructure for spare part sales
- Continued invest in distribution network
- Introduced new service and connected offerings

# Strengthened our market positions...

		MARKET SIZE* (EUR billion)	KEY SEGMENTS	HIAB POSITION & TREND
LOADER CRANES		~1.3	Construction and Logistics	#1-2 
TAIL LIFTS		~0.5	Retail Logistics	#1 
DEMOUNTABLES		~0.5	Waste and Recycling	#1 
TRUCK MOUNTED FORK LIFTS		~0.3	Construction and Logistics	#1 
FORESTRY CRANES		~0.2	Timber, Pulp and Paper	#2 

\*) Cargotec estimate

# ...leveraging megatrends and growth drivers

## MEGA TRENDS



- **Urbanization** and **Consumption** growth driving needs for efficiency
- **Digitalization** and **Connectivity** enabling new **business** solutions

## MARKET GROWTH



- **North America** and main **European** markets continue to grow
- **Developing markets** strong load handling equipment penetration potential

## KEY SEGMENTS



- **Construction, Waste & Recycling, Logistics** and **Governmental** business segments show continued growth projection

## PRODUCT OFFERING



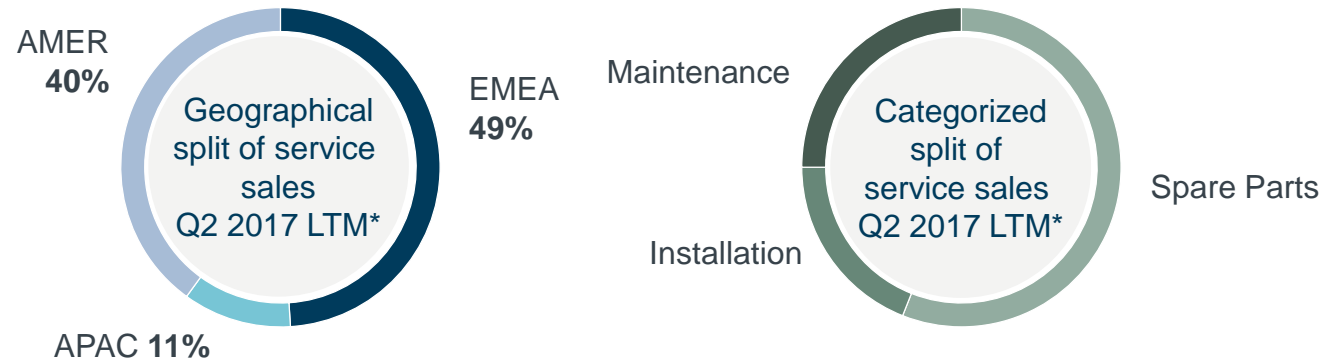
- **New applications** market and segment growth potential
- Developing for increasing demand in **Electrification** and **Automation**

## SERVICE SOLUTIONS



- Growing demand for comprehensive **life-cycle service offerings** and tailored **business solutions**

# Service is key in driving sustainable profitable growth...



MEUR

LTM\*

Service revenue

237

% of total revenue

22%

- ✓ Increased service revenue from 2014 to 2016 by 19% and annual growth of 9.1%
- ✓ Continued investment into service network and infrastructure to unlock value
- ✓ Accelerated development of new services solutions to capture life-cycle value

- Comprehensive sales & service network in >120 countries
- 41 Hiab service centers & workshops and 370+ technicians
- 620+ dealer and service partners and 1,100+ technicians
- Service competence for >110,000 equipment in use

\*) LTM = Last 12 months (Q3 2016 – Q2 2017)



# ...and we are expanding our service offering to capture life-cycle value

## SERVICE PRODUCT DEVELOPMENT



World-class spare parts **Webshop** rolled out in 28+ countries

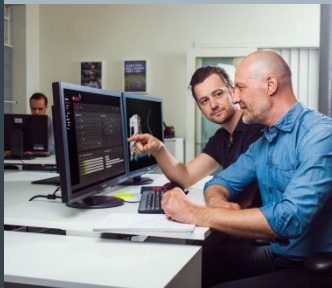
## SERVICE CONTRACT OFFERING



**ProCare™** is a new full service offering at four levels:

1. Scheduled inspection
2. Essentials (preventive maintenance)
3. Extended warranty
4. Repair and Maintenance

## CONNECTED SOLUTIONS



**HiConnect™** providing users with real-time insights via web-based dashboards



# Unlocking customer value through HiConnect™

Providing **business critical insights** for connected Hiab equipment

- Show equipment usage and efficiency
- Monitor condition and manage uptime
- Improve safe and professional operation
- Increase business productivity across fleet

**Unlocking further value** through proactive service, spare parts, new solutions

Building customer brand **loyalty** and **equipment sales**



# Travis Perkins - from customer to partner

"With Hiab HiConnect we are looking to improve safety, transparency and utilization for our fleet. The platform offers the potential to help us decrease downtime, something that costs our business ~£5,000 per week in lost sales if a vehicle is down for any reason."

**Graham Bellman, Travis Perkins**

Graham Bellman, Group Fleet Director, Travis Perkins, with Scott Hall, SVP Sales & Service, Hiab, and Jan-Erik Lindfors, VP New Business Solutions, Hiab, at the Hiab Leadership Forum, June 2017





# Well positioned for further profitable growth

Accelerated our growth and delivered strong business results

Strengthened our **equipment and service leadership** positions

Capture further **growth opportunities**

- Capitalize on urbanization, digitalization, connectivity
- Penetrate Brazil and China
- Develop segments and new applications
- Grow and expand service







Michel van Roozendaal, President, MacGregor

# Performing in challenging market conditions



# Performance – a solid base for continued industry leadership

Successfully defending profitability levels

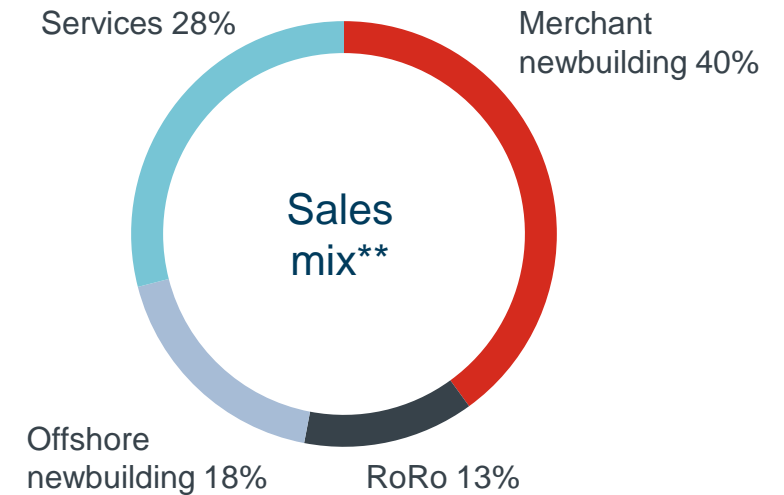
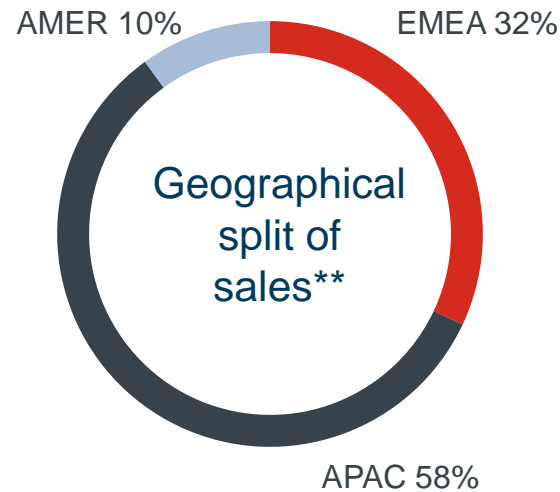
Continuing to invest in technology and innovation and will lead the industry transformation

In a strong position to take advantage from the long term growth opportunities in the maritime industry



# MacGregor – leader in maritime cargo and load handling

MEUR	Q2 2017 LTM**
Orders received	482
Order book	507
Sales	687
Operating profit*	10.6
Operating profit margin*	1.5%
Personnel	1,952



MacGregor shapes the offshore and marine industries by offering world-leading engineering solutions and services with a strong portfolio of brands. Shipbuilders, owners and operators are able to optimise the lifetime profitability, safety, reliability and environmental sustainability of their operations by working in close cooperation with MacGregor.

# We are an active leader in all maritime segments

Merchant  
Cargo Flow

MARKET  
POSITION

#1

- Container cargo
- Bulk cargo
- General cargo
- Liquid cargo
- RoRo cargo

Marine  
People Flow

#1

- Ferry
- Cruise
- Superyachts
- Walk-to-work

Offshore  
Energy

#1

- Oil & Gas
- Renewables

Marine Resources  
& Structures

#1-2

- Research
- Fishery
- Aquaculture
- Mining
- Floating structures

Naval Logistics  
and Operations

#1-2

- Naval & Military  
Supplies Logistics
- Naval & Military  
Operations Support
- Ship-to-ship  
transfer

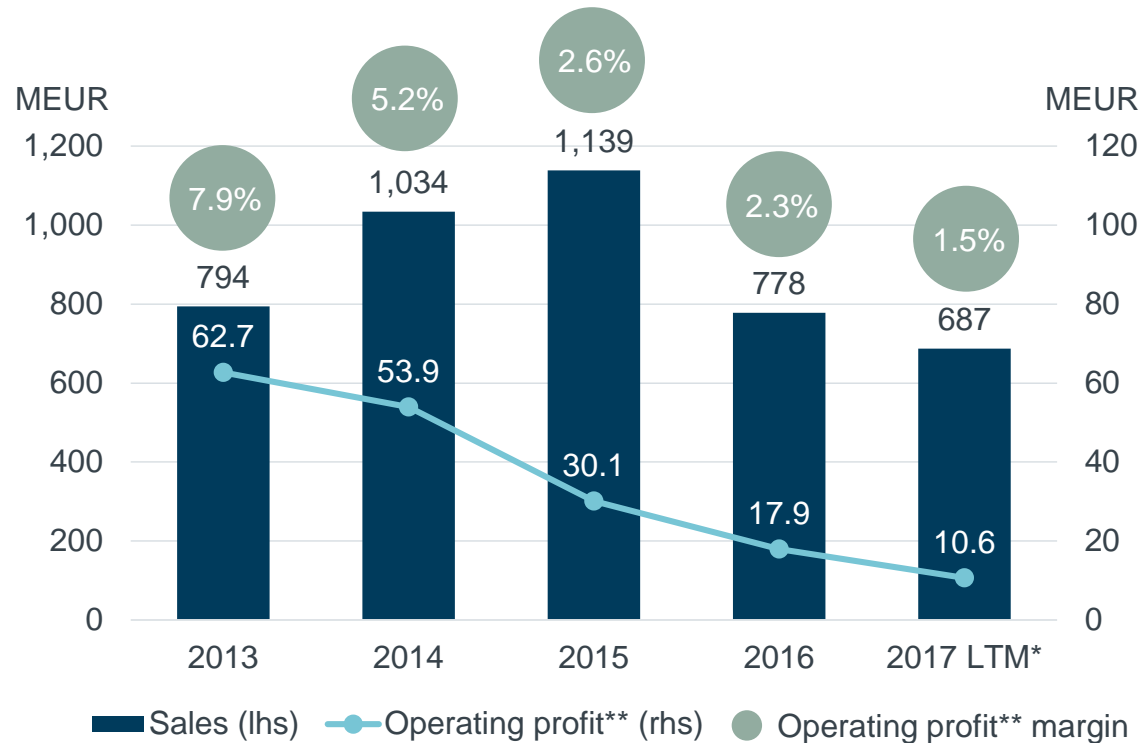
## Lifecycle Services



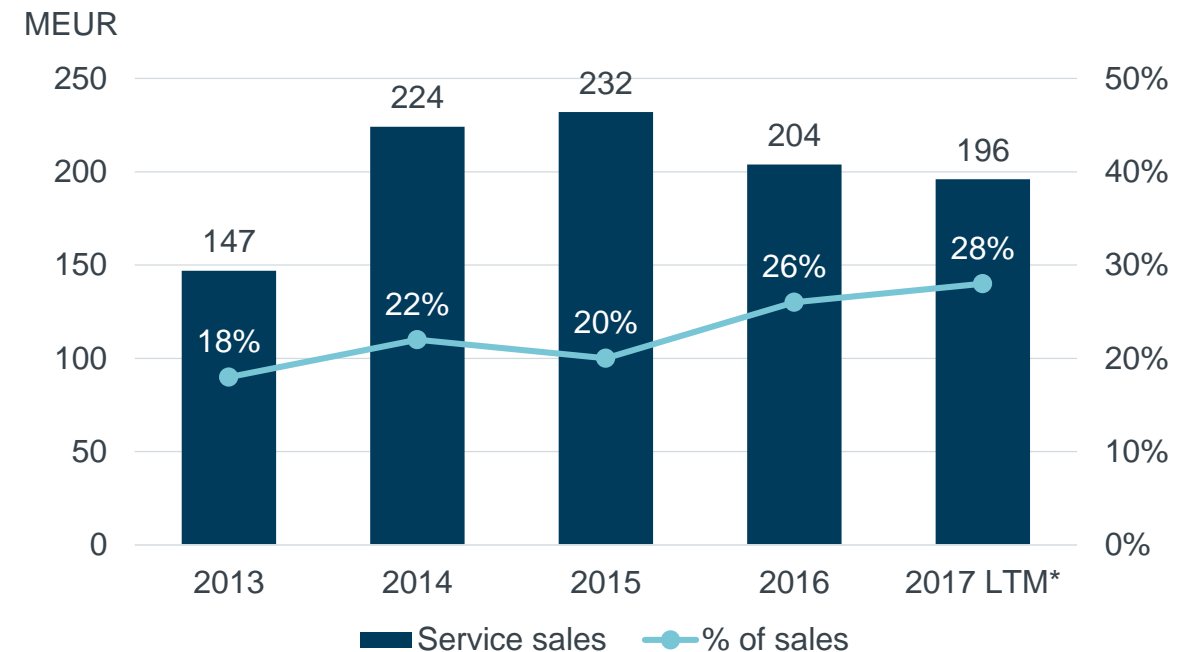
Picture: Statoil



# Maintaining profitability in a difficult market environment...



Despite a reduction of over EUR 450 million in sales since 2015, we maintained positive operating profit levels



Share of services is steadily growing

# ...due to three focus areas

## ASSET-LIGHT BUSINESS MODEL

- 90% of manufacturing is outsourced
- Over 30% of design and engineering is outsourced

## ACTIVE MARGIN MANAGEMENT

- Product cost reduction with Design-to-Cost program of over MEUR 10 annually
- Establishment of new Asia-based sourcing organisation
- Implementation of new Project Execution Model

## STREAMLINED GLOBAL STRUCTURE

- Active headcount management - 770 redundancies incl. divestment of Woodfield, UK (60 persons) and production site in Uetersen, Germany (80 persons)
- Relocating transactional service activities to Gdansk, Poland (50 persons)
- Consolidating support functions

# Recent significant orders show our resilience and...

## Merchant ship segment (RoRo)

MacGregor has signed Port Solution contracts in Australia, Norway, France and Japan. These link spans will enable optimal traffic flow and high flexibility at the quay.

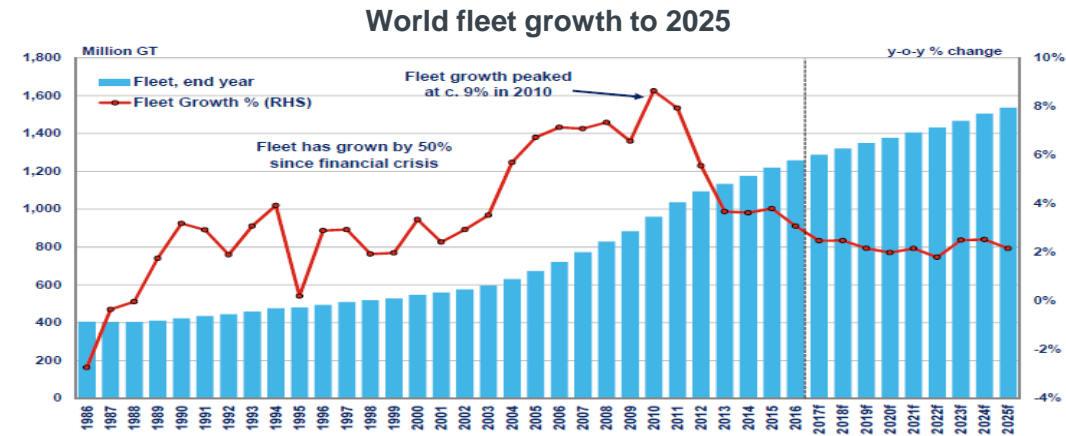


## Offshore segment (FLNG market)

MacGregor has been commissioned to provide a mooring/riser system for the floating storage and regasification unit (FSRU) by Excelerate. The unit will serve the Moheshkhali floating LNG terminal offshore Bangladesh.

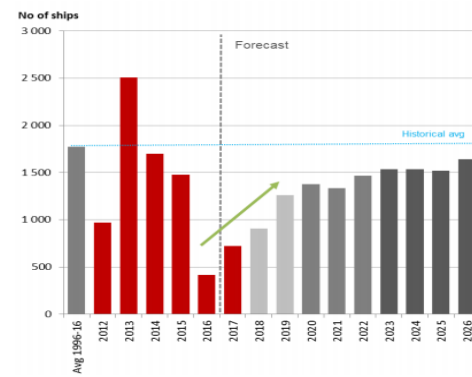


# ...our traditional core markets are slowly coming back



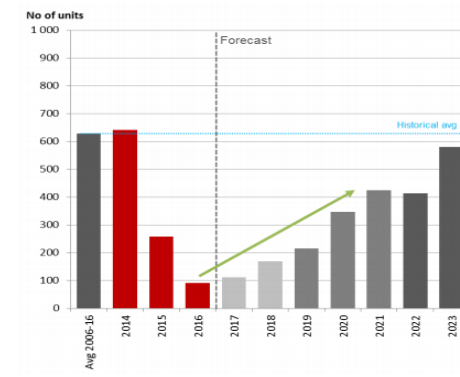
## Long term contracting 2012-2026

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



## Long term contracting 2014-2023

Mobile offshore units



Source: Clarksons Research, March 2017

Fragile recovery in the container and dry bulk shipping, but below historical averages:

- Low oil prices, resilience of US shale production
- Fleet oversupply in both merchant and offshore oil & gas markets continues
- Charter rates remain at historically low levels
- Newbuilding contracting at historically low levels



# Continuing to build a professional service foundation

## Three main sales lines exist today:

Spare parts (60%), maintenance (including contracts; 30%) and project work (10%).

Strong focus on disruptive technologies, which are coming from digitalisation and environmental products that will add value for our customers.

### MEUR

### LTM\*

Service orders received

194

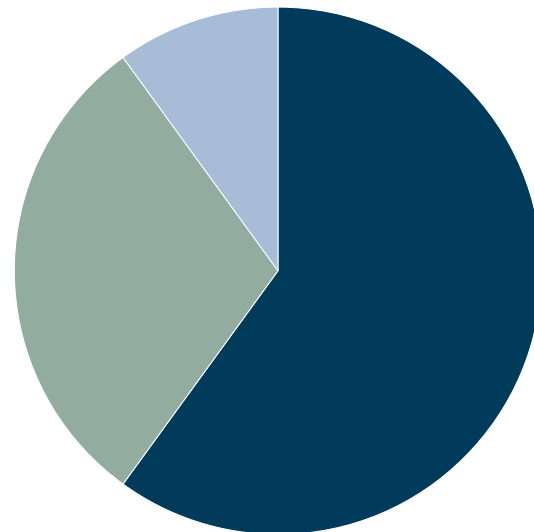
Service sales

196

Service personnel

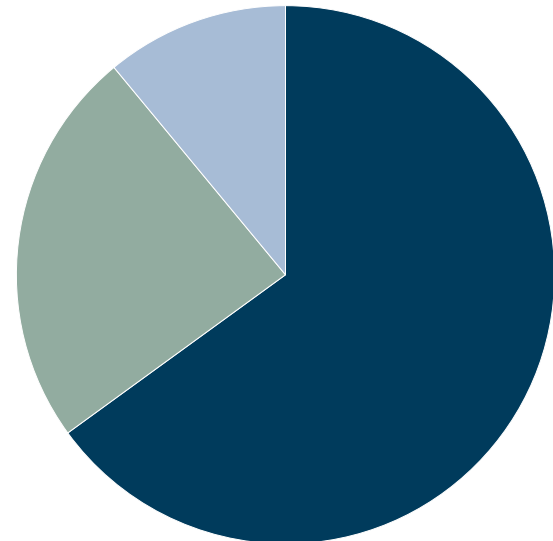
758

## Service sales by category\*



- Spare parts
- Maintenance
- Projects and Voyage Data Recorder

## Service sales by geographical area\*



- EMEA
- APAC
- Americas

# Our global services network – a solid foundation for services growth



# Customer intimacy over the lifecycle; key to growth in services

## Easy to do business with

- Single 24/7 Transactional center in Poland
- Connectable products and mobile assest management
- Dry-Docking planning tool
- All parts labelled MacGregor (including QR codes) for easy reference

## Service excellence

- Online monitoring and support for all equipment
- New technical support and training organisation; augmented reality
- On-time delivery of parts
- Drone inspections for cranes and hatches

## Advanced service offering

- Online equipment optimisation
- Up-time guarantee
- Smart parts advising when and how to change
- Value adding products, bio oils and grease, noise cancelling ramp connectors







**CASE:**

# Cargo Boost – optimising ships' productivity and earnings

## CHALLENGE:

CSCL (part of COSCOCS) and V.Ships identified a demand to transport more 40ft containers on board their vessels in Asia-Europe trade. However, there was a limited number of slots designed for big containers, also limiting the ships' earning potential.

## SOLUTION:

The cargo systems of three 14,000 TEU container ships, which were built in 2011, were optimised with MacGregor Cargo Boost solution to increase capacity and improve flexibility.

After the upgrade, the ships can now take 260 x 40ft containers more and have an increased annual earning potential of USD 2,6 million/ship.



# MacGregor Digital – transforming a traditional industry

## STANDARD

- Delivery and commissioning
- Service and spare parts by operators initiative
- Competition by non-OEM service providers



## CONNECTED

### OnWatch

- Sensors and software for data recording installed
- Connectable for failure analysis, adjustment and software update
- Predictive maintenance

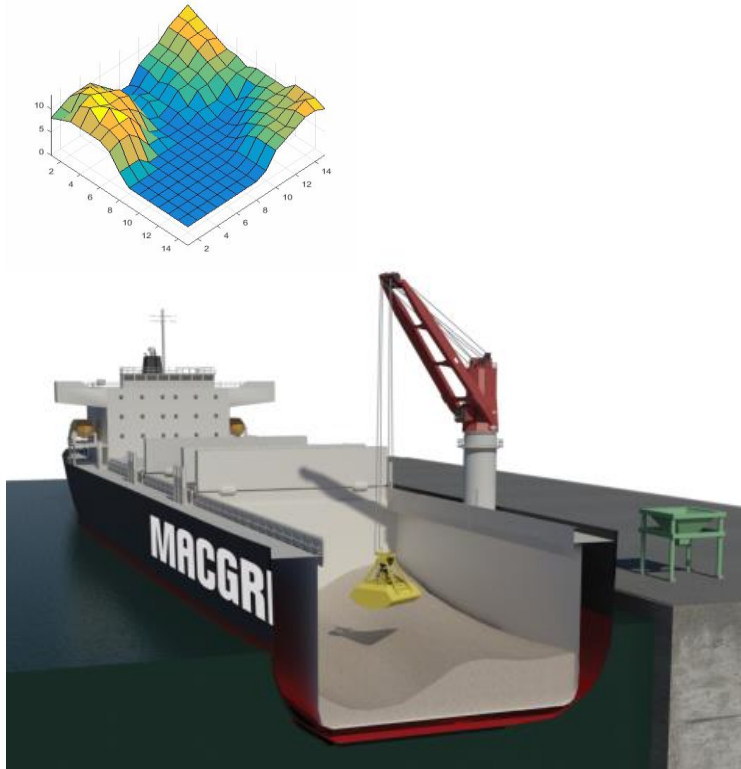
## OPTIMISED OPERATION

- Smart operation supported by artificial intelligence
- Improving operational performance
- Autonomous operation



# We use innovation to improve customer performance

**Autonomous unloading** of bulk by fully automated ship crane.



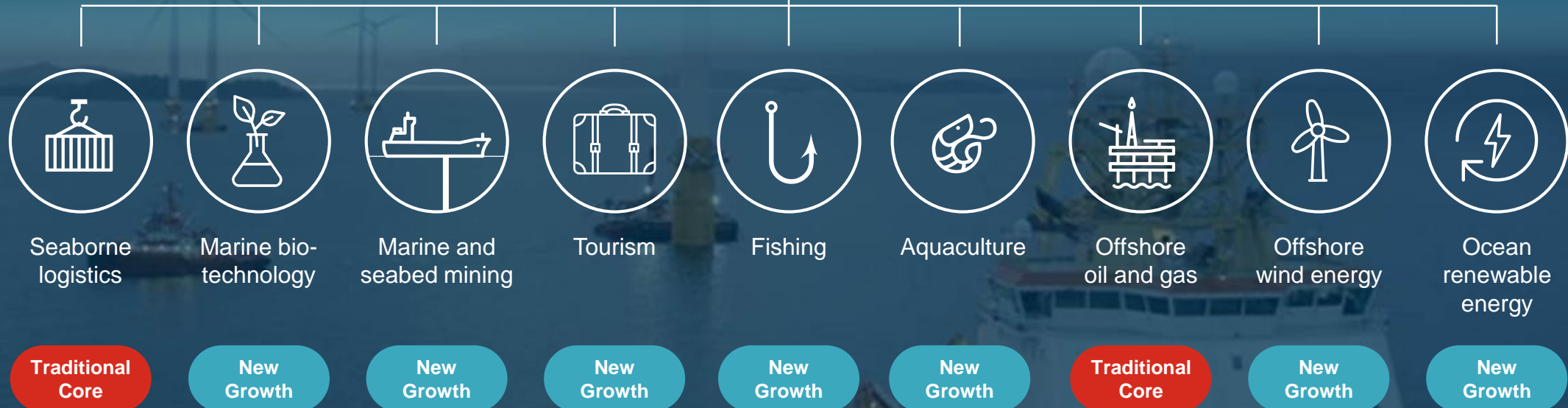
**MacGregor Sensor Pad** enables monitoring of dynamic loads in container stacks during voyage



**Winch system** for using fibre rope instead of steel rope for deep-water load handling.



# We are capturing "blue growth" opportunities





# Performance – a solid base for continued industry leadership

Successfully defending profitability levels

Continuing to invest in technology and innovation and will lead the industry transformation

In a strong position take advantage from the long term growth opportunities in the maritime industry







Mikko Puolakka, CFO

# Strong commitment to improving profitability

# Strong commitment to improving profitability

We have delivered solid improvement  
in profitability

Our cost efficiency programs are on track

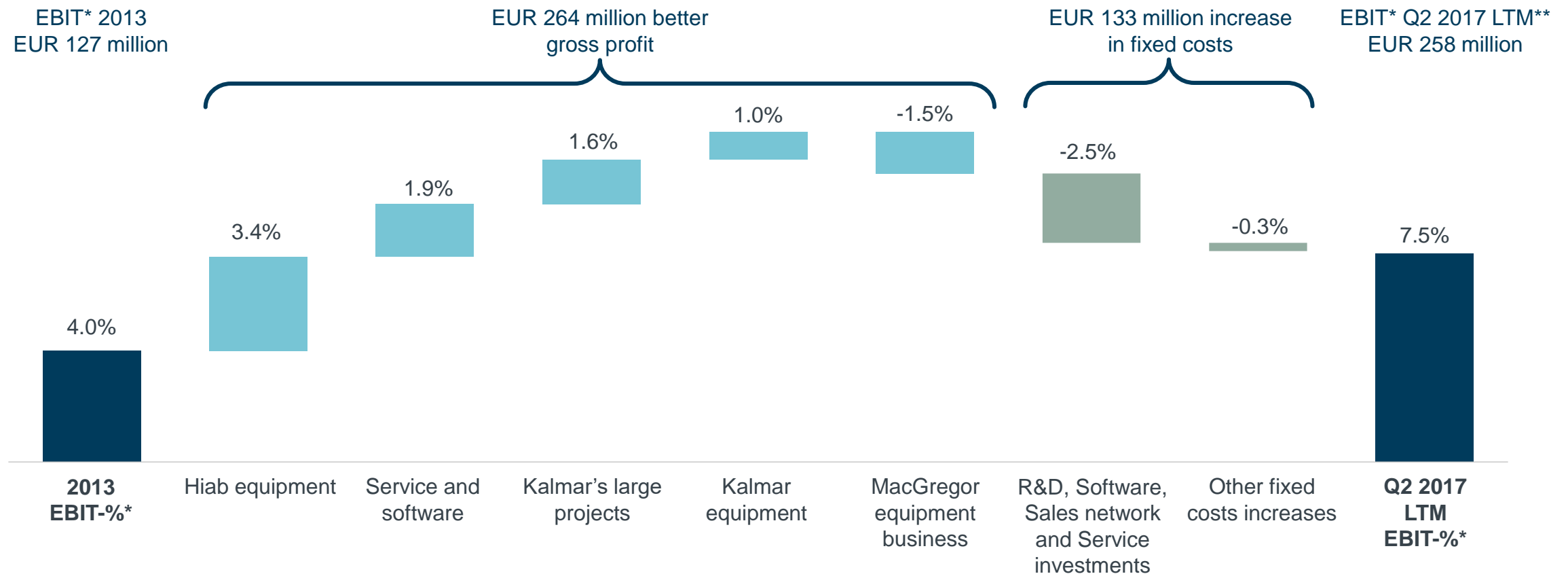
Our financing structure supports  
strategy execution

We have a concrete plan in place  
to reach 10% EBIT





# We have increased EBIT\* margins since 2013 through operational improvements



# We have four main profit improvement programs in place

EUR 25 million (MacGregor)

EUR 2 million (Interschalt)

EUR 13 million (Lidhult assembly transfer in Kalmar)

EUR 50 million (indirect purchasing and new Business Services operations)



# Business Area cost efficiency programs are on track

	Scope and Target	Status June 2017
<b>MacGregor</b>	Reduction of 230 FTEs in China, Finland, Norway, Singapore and Sweden  Annual savings EUR 25 million in 2017	Layoffs, asset divestments and lease contract terminations completed  EUR 12 million savings in H1 2017
<b>Interschalt</b>	Re-organising operations in Germany, USA and China  Annual savings EUR 2 million in 2017	Layoffs completed  EUR 1 million savings in H1 2017
<b>Transfer of Kalmar production site</b>	Forklift trucks production from Lidhult, Sweden to Stargard, Poland  Annual savings EUR 13 million from 2018 onwards	Production facilities ready. Light and medium fork lift trucks already moved, heavy transferred in H2 2017.



# Group wide EUR 50 million cost savings programme proceeding faster than expected

## WHY

- Investments in common systems as enabler
- EUR ~600 million addressable indirect cost base

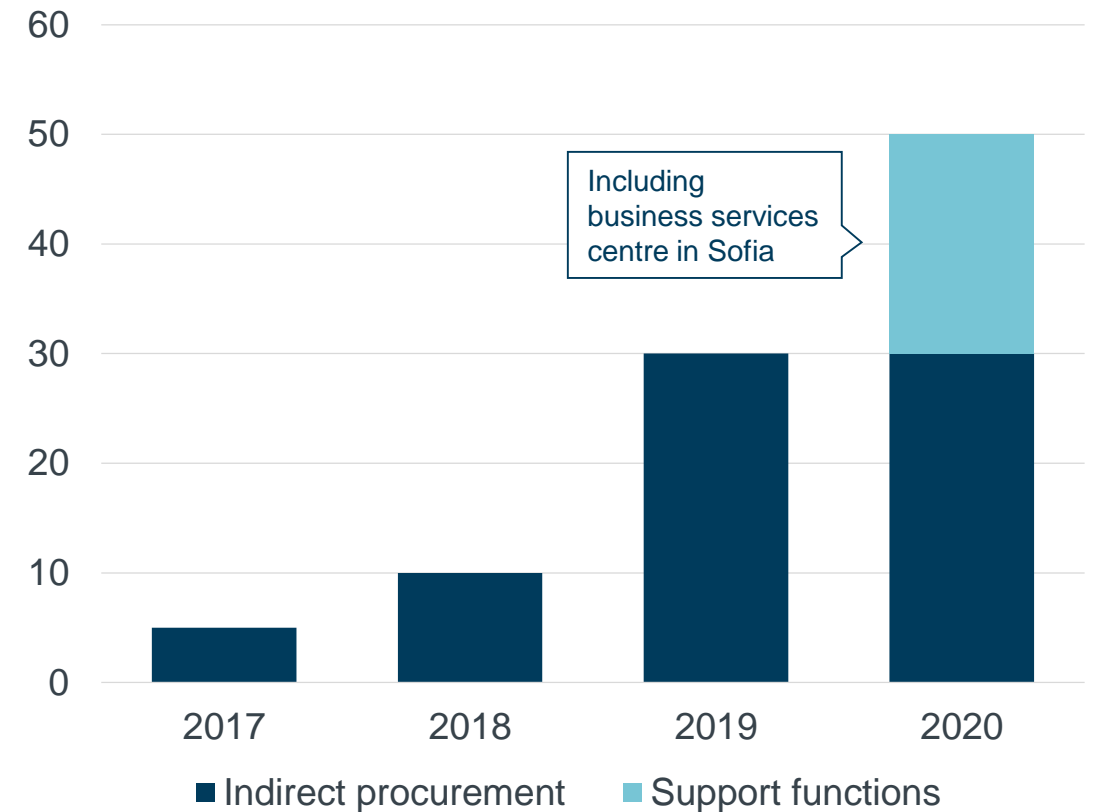
## WHAT

- Reductions in indirect purchasing spend (EUR 30 million), and more efficient support functions (EUR 20 million)

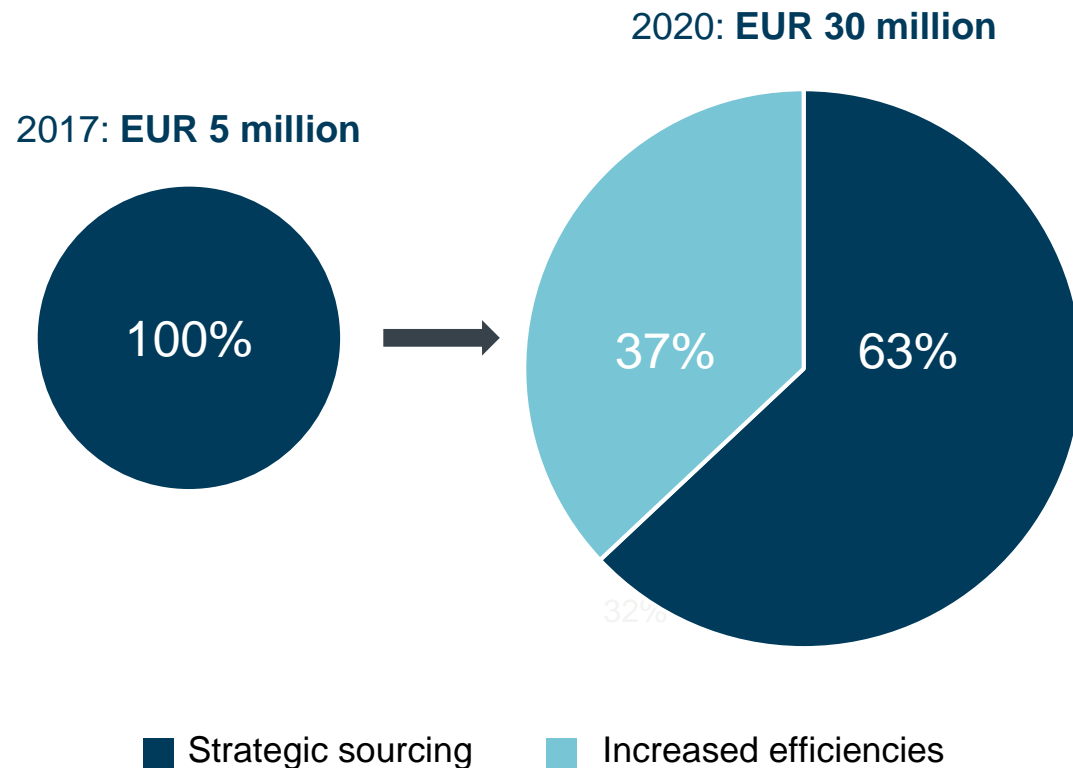
## HOW

- Central procurement organization to drive indirect procurement cost and efficiency
- Establishing support function services in Sofia
- Automation in Finance, HR, information management and procurement

Expected savings compared to 2016 cost level, MEUR



# Strategic sourcing actions and increased efficiencies drive the EUR 30 million indirect procurement savings



## Strategic sourcing

- Consolidation of current supplier base
- Example categories: logistics, facilities management, MRO & investments

## Increased efficiencies

- New tools, harmonised processes, automation and internal procurement savings

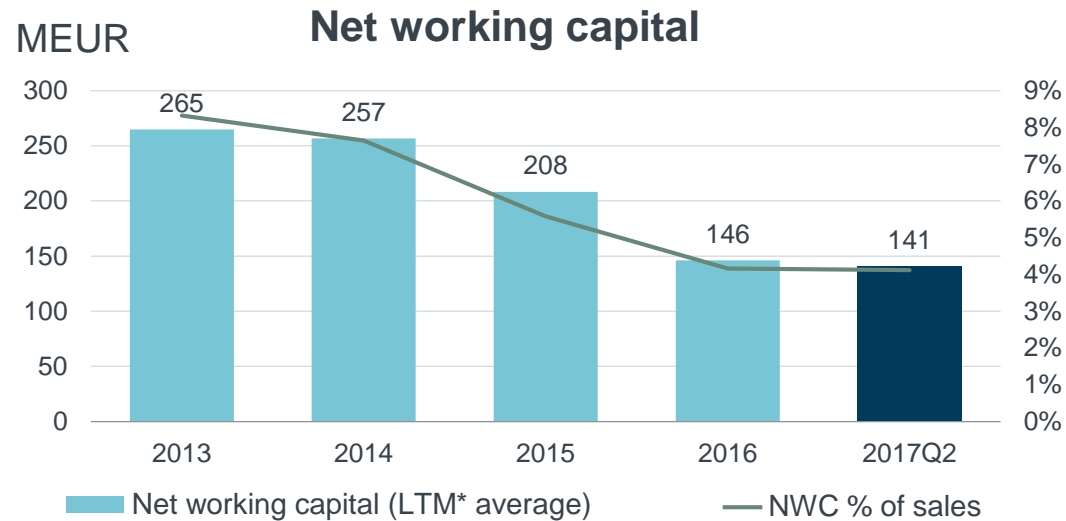
# We establish Cargotec Business Services in Sofia to improve support function efficiency by EUR 20 million

- Savings from consolidation, outsourcing of certain activities, labour arbitrage and robotics
- Scope: Finance, Human Resources, Information Management and Indirect Procurement services primarily from Sofia, Bulgaria
- Good progress in establishing Cargotec Business Services
  - Infrastructure ready, key positions manned
  - First 53 employees joined on 1st of August, induction has started
- Finland as pilot, cooperation negotiations completed in June 2017



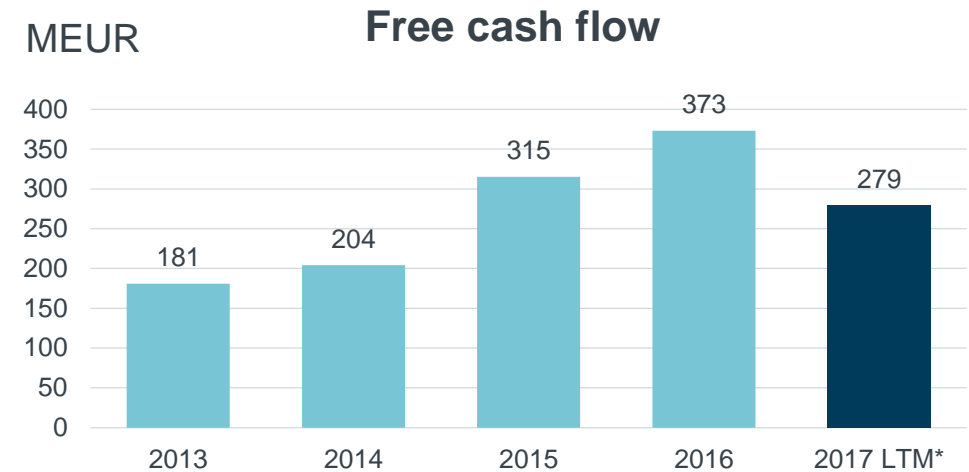


# Working capital efficiency supports cash flow generation



## Key drivers

- + Supply chain optimisation
- + Central spare parts inventory
- + Supplier financing
- + Payment term harmonisation
- Services growth
- Low project orders in Kalmar and MacGregor

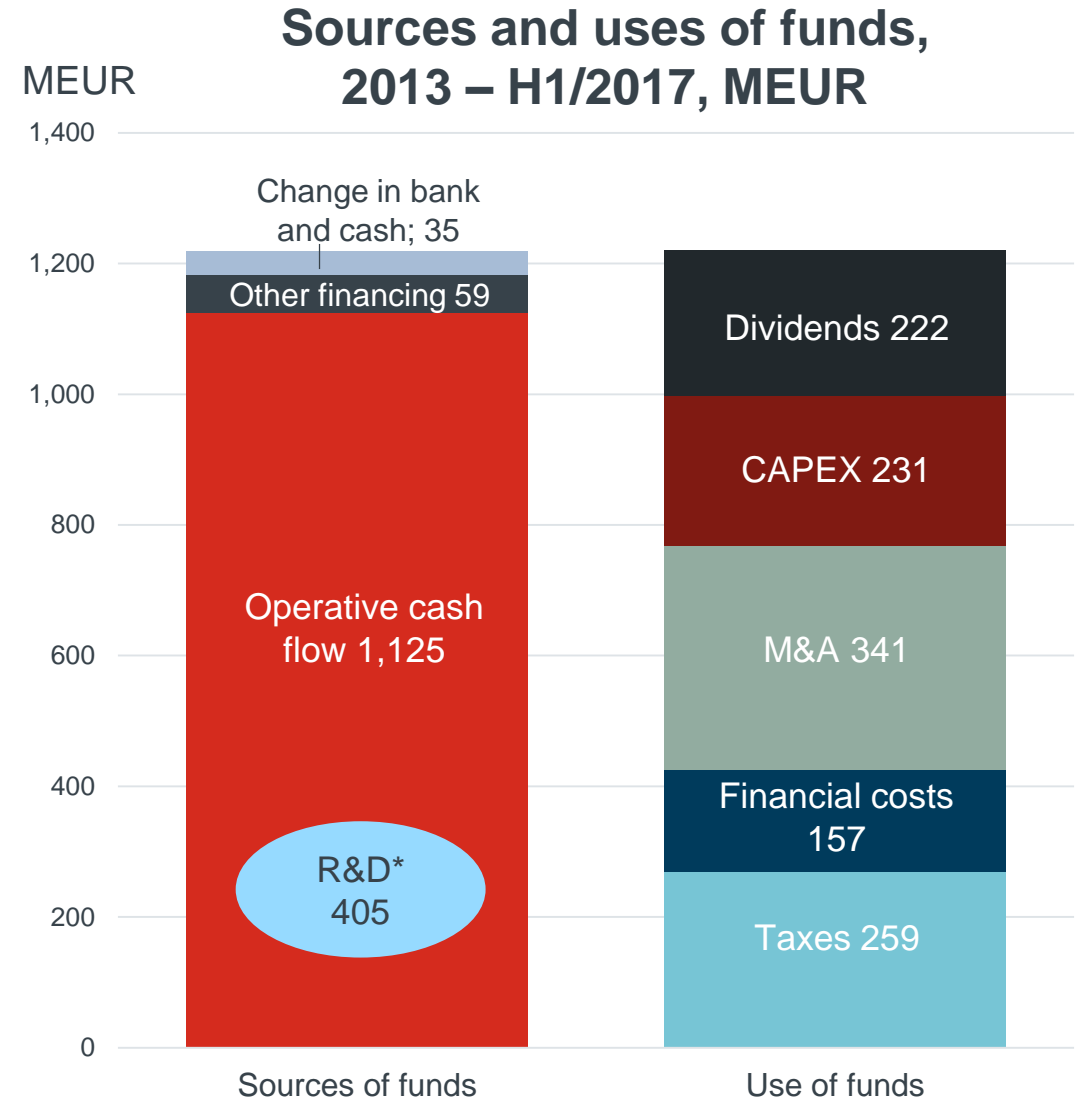
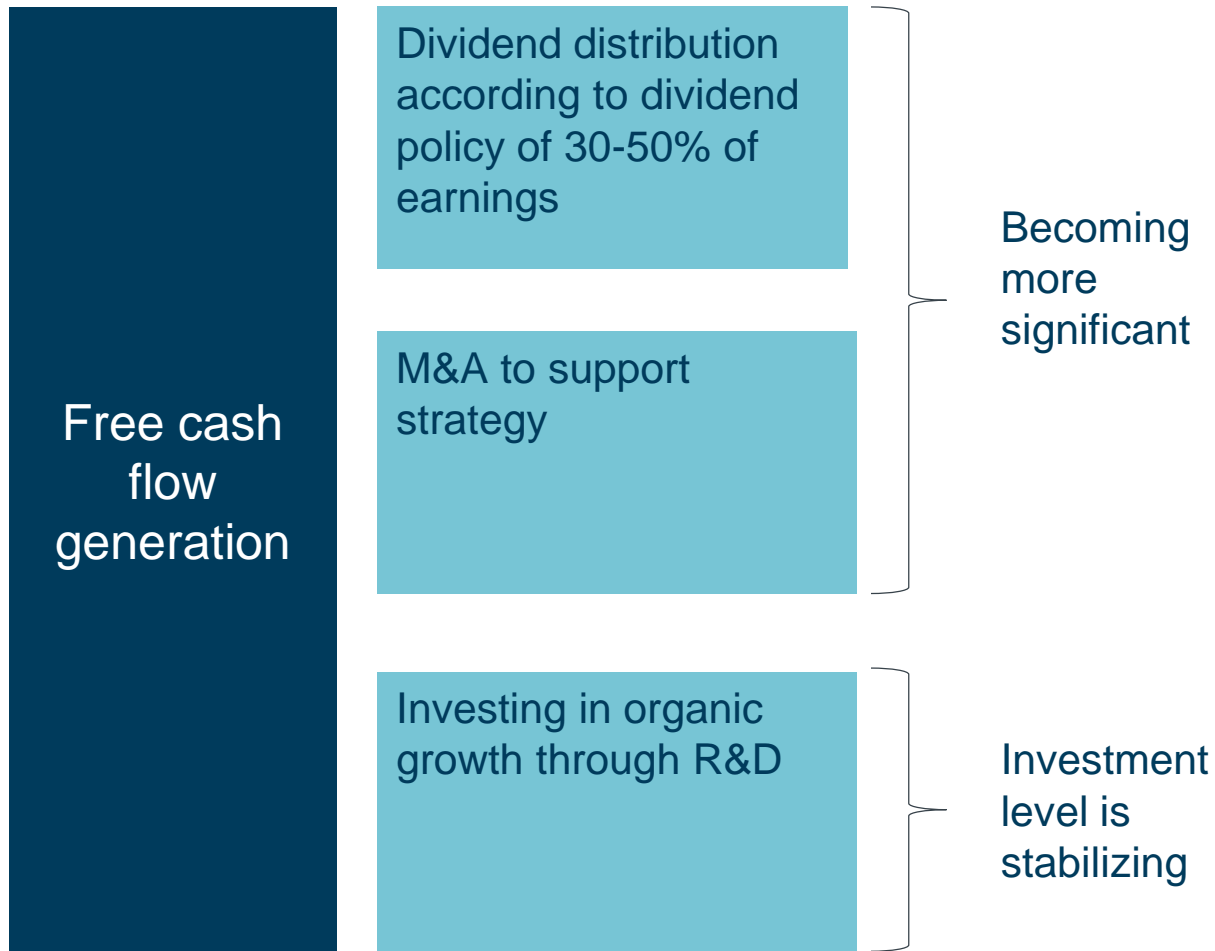


## Key drivers

- Higher profit
- Working capital efficiency actions
- Asset light business model

\*LTM=Last 12 months (Q3/16-Q2/17)

# Strong cash flow supports higher dividends as well as investments in R&D and M&A



# M&A strategy focusing on bolt-on acquisitions

## Key acquisition criteria

Contribution to 15% ROCE target

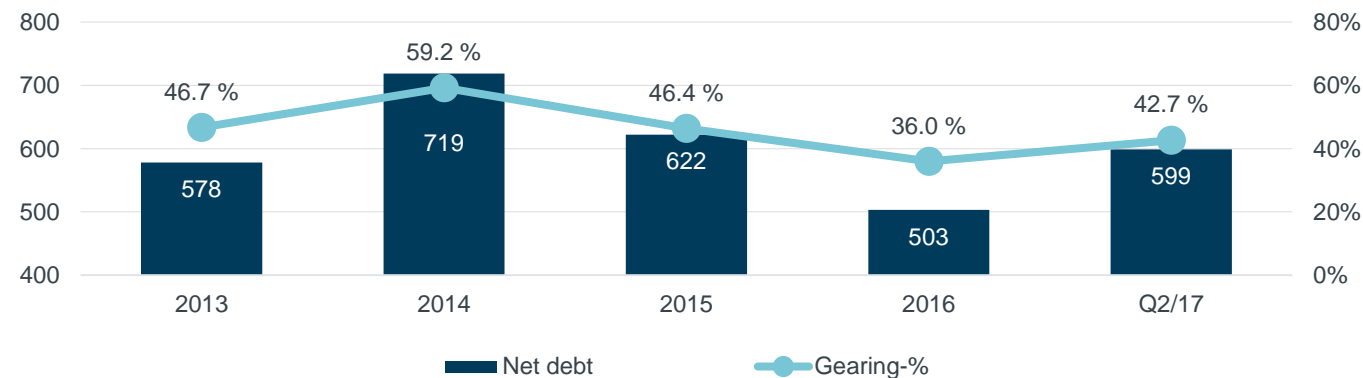
Recurring business

Increase the potential for services through larger installed base and increased presence

Group gearing long term target of 50%

## Net debt and gearing

MEUR



## M&A focus by business area:

### Kalmar

Expand service footprint and software offering

### Hiab

Expand geographical presence, service and product offering

### MacGregor

Focus on distressed assets and software and intelligent technology



# Updated financial targets reflect increased stability and profitability

Targets from 2015	New targets	Results
Grow faster than the market	Grow faster than the market	Growth rates 2013 - Q2 2017 LTM per annum (CAGR): Kalmar 2.0%, Hiab 5.9%, MacGregor -3.6%
EBIT margin 10% for each business area over the cycle	Cargotec operating profit margin 10% in 3-5 years	Q2 2017 LTM: 7.5%**
Service and software sales 40% of net sales	Service and Software sales 40% of net sales, minimum EUR 1.5 billion in 3-5 years	Q2 2017 LTM: 30% total EUR 1.04 billion
Dividend 30-50% of earnings per share	Increasing dividend in the range of 30-50% of EPS, dividend to be paid twice a year*	2013-2016: steady 31% p.a. (CAGR) increase in absolute dividend, average 46% of EPS
15% ROCE over the cycle	15% ROCE in 3-5 years	Q2 2017: 10.2% (annualised)
Gearing below 50%	Gearing below 50%	Gearing 42.7% in Q2 2017

\*To be proposed to Annual General Meeting 2018

\*\*Excluding restructuring costs

# We have good growth opportunities in all business areas

## KALMAR

- Increasing average ship size and container throughput growth
- Growing automation penetration
- Growing replacement market
- Inland logistics and intermodal offering

## HIAB

- Growing construction market
- Changing distribution patterns and models
- Increasing lifting equipment penetration in developing countries
- Broad spectrum of industries and segments where involved

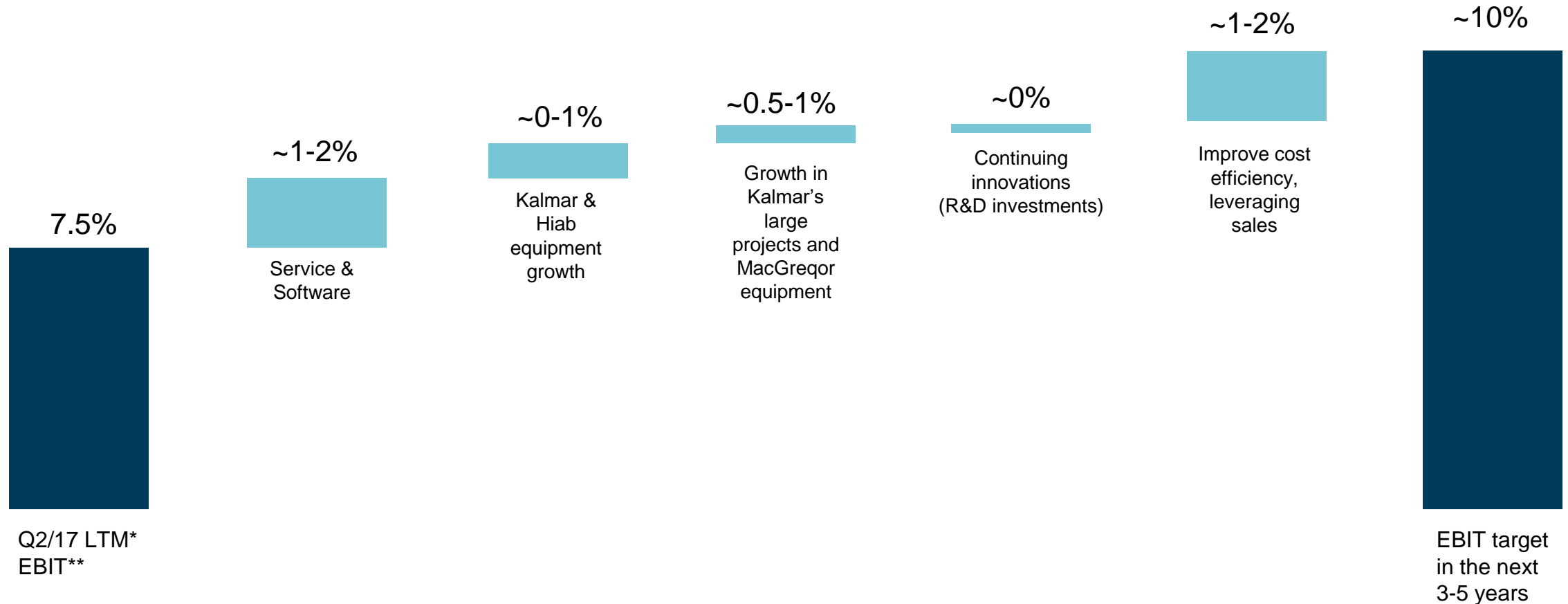
## MACGREGOR

- Growing global trade
- Growing demand for energy
- Maritime intelligence: Customers' requirements on operational efficiency, predictability and sustainability
- Blue Growth: clean energy, aquaculture, maritime resources
- Autonomous or remotely controlled ship developments a long term opportunity

## MEGATRENDS

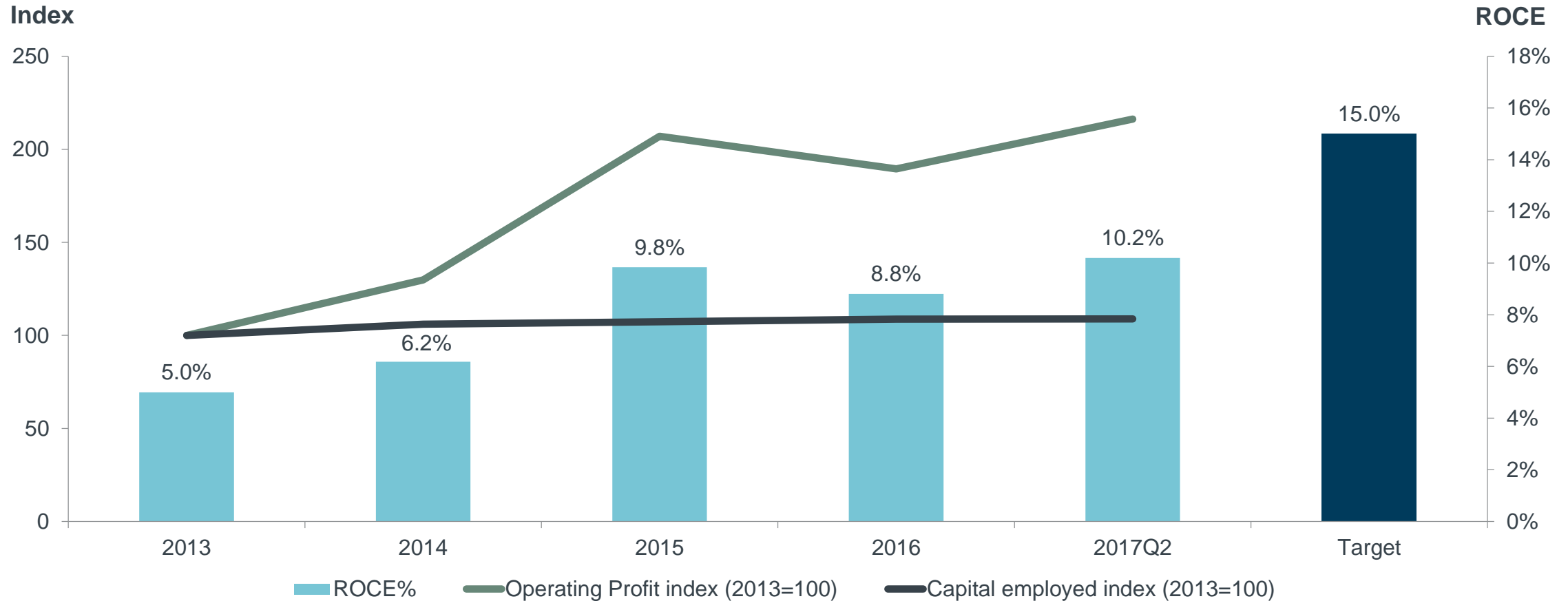
Globalisation, urbanisation, population growth, growing middle class, increasing consumption, digitalisation, energy demand, environmental awareness and demand for more intelligent solutions

# Our target is to reach 10% EBIT in the next 3-5 years

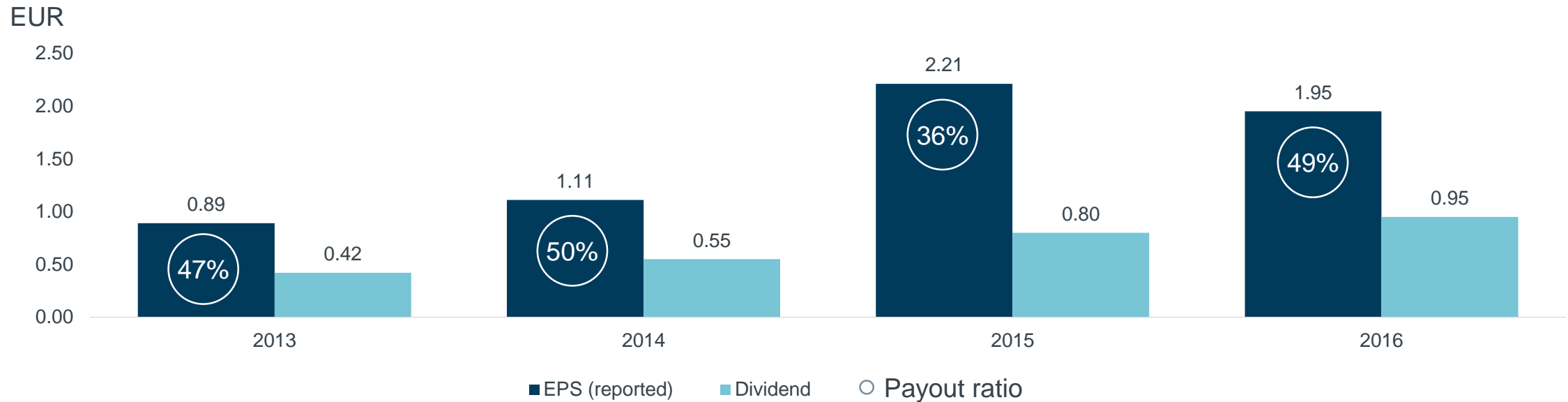




# Higher operating profit is key driver to reach 15% ROCE target



# We aim to increase dividends annually



Dividend per B share for 2016: EUR 0.95

Higher EPS and strong cash flow support increasing dividend

- Dividend to be paid twice a year\*

Target to increase the dividend in the range of 30-50% of EPS

\*To be proposed to AGM 2018

# Strong commitment to improving profitability

We have delivered solid improvement in profitability

Our cost efficiency programs are on track

Our financing structure supports strategy execution

We have a concrete plan in place to reach 10% EBIT



# Break-out sessions instructions

**Please find your room number  
from your name tag.**

**Each group will have 20 minutes  
with each topic.**

**Groups stay in the dedicated rooms  
for all the break-out sessions.**

**Cargotec teams change rooms  
between sessions.**

## **Lead digitalisation**

Soili Mäkinen, CIO

Lasse Eriksson, VP, Kalmar New Service Business Concepts

Jan-Erik Lindfors, VP, Hiab New Business Solutions

Alexander Nürnberg, SVP, MacGregor

## **World class service offering**

Thomas Malmborg, SVP, Kalmar Services

Christian Bjorne, VP, Hiab Services

Anna Almlöf, VP, Hiab Services

John Carnall, SVP, MacGregor Services

## **Build world class leadership**

Mikko Pelkonen, SVP, Human Resources



# Lead digitalisation

## Presented by:

Soili Mäkinen, CIO

Lasse Eriksson, VP, Kalmar New Service Business Concepts

Jan-Erik Lindfors, VP, Hiab New Business Solutions

Alexander Nürnberg, SVP, MacGregor

# Leading cargo flow digitalisation to create new revenues

**DIGITALISATION**  
**SERVICES**  
**LEADERSHIP**

## MAIN ACHIEVEMENTS

### Significantly increased resources and competences

- 100 full-time employees more focusing on digitalisation
- Establishment of the IoT Cloud data platform and connectivity solutions
- Solid 54% growth in software sales since 2013
- XVELA industry collaboration platform introduced
- Digital business accelerator programme

## NEXT STEPS

### All new equipment connected by 2018

- 20+ new digital products to be launched in 2017-2018
- Build on Navis position as industry leader

## FUTURE AMBITION

### Target to double software and digital services revenues during next 3-5 years

- Deliver customer value and drive the industry towards better optimization and sustainability with software, automation, data and collaboration platforms



# Kalmar has significant software business and great foundation to deliver more value

**DIGITALISATION**  
**SERVICES**  
**LEADERSHIP**

## MAIN ACHIEVEMENTS

### New digital offering introduced

- Kalmar Insight digital offering providing real-time visibility to terminal's productivity and performance .
- New digital marketplace for Kalmar Parts
- Kalmar OnWatch terminal remote support
- XVELA industry collaboration platform

### Investments

- Significant software development team extension
- M&A: Interschalt digital offering
- Digital Business Initiative for Kalmar Mobile Equipment

### Internal efficiency

- Digitalisation programs for operational excellence

## NEXT STEPS

### All new equipment connected in 2018

- New safety solutions to reduce accidents and damage to goods in terminals
- Maximise customers' fleet availability and performance
- Maximise the use of data to optimise container flows
- Extending the digital services and automation solutions offering including third party equipment
- Advanced remote support
- Telematics enabled automated maintenance

## FUTURE AMBITION

### Kalmar Artificial Intelligence vision: Port 2020 is highly automated, "learning container router" in the global flow of goods.

- We will utilise our unique portfolio (TOS, SW, automation, EQ, services) and AI for data driven intelligent services to improve customers' productivity
- We will utilise the large variety of data sources to add value to new stakeholders in the container supply chain
- Virtual terminal and remote support enable continuous improvement and superior support for our customers

# Hiab - pioneering the load handling industry through digitalisation

**DIGITALISATION**  
**SERVICES**  
**LEADERSHIP**

## MAIN ACHIEVEMENTS

**Founded New Business Solutions function to drive digitalisation across Hiab (28 FTE)**

- Created Hiab Connected Solutions portfolio covering:
  - Connected & Augmented Equipment
  - Smart Services
  - New Business Solutions
- Pilot projects running with key customers in all major market areas
- New digital marketplace for Hiab Parts

## NEXT STEPS

**All new equipment connected by 2018**

- Commercial launch of Hiab Connected Solutions portfolio market-by-market
- Further development of new solutions for key segments such as military, waste management
- Further ramp-up of software & platform development capabilities and resources
- Strategic partnerships (technology, business)

## FUTURE AMBITION

**Develop Hiab into a complete solution provider**

- Customer first – delivering a complete customer experience through digitalisation
  - Equipment, services, solutions
- Lead the industry in developing pioneering solutions in key segments
- Create value and explore new business models through software, platforms and solutions



# MacGregor - connecting marine equipment to enhance life cycle support

**DIGITALISATION**  
**SERVICES**  
**LEADERSHIP**

## MAIN ACHIEVEMENTS

### Significantly increased resources and competences

- MacGregor Digital Network established across product lines
- Virtual / Augmented reality training center in Norway founded
- First Hackathon realized for the marine industry
- State funded digital research projects in Finland, Norway and Germany
- Download of harvested crane operation data to Cargotec cloud

## NEXT STEPS

### All equipment connectable by 2018

- First autonomous cargo crane to be delivered to customer
- Launch gateway to transmit data from offshore to cloud
- Legal and contractual framework to connect globally sailing vessels
- Pilot applications for predictive maintenance
- Enhanced online offering
- Start applying advanced data analytics

## FUTURE AMBITION

### Transformation from equipment supplier to life cycle supporting partner in the marine industry

- Front runner in applying automation to enhance operational performance
- Deliver products with highest availability and minimum downtime
- Become a leader in efficient external and internal process management using all means of digitalisation
- Target to create significant digital services revenues

# World class service offering

## Presented by:

Thomas Malmborg, SVP, Kalmar Services

Christian Bjorne, VP, Hiab Sales & Services EMEA

Anna Almlöf, VP, Hiab Services

John Carnall, SVP, MacGregor Services

# Kalmar in a transformation to become a service driven company

DIGITALISATION  
**SERVICES**  
LEADERSHIP

## MAIN ACHIEVEMENTS

**New customer value driven service organization and way of working implemented**

- Dedicated team for service contract management in place
- Global e-commerce platform launched
- Successful customer pilots for Kalmar Insight digital service solution
- New digital field service tool and processes introduced for service technicians

## NEXT STEPS

**Expanded offering portfolio and new digital services**

- Over 50% of maintenance business is under contracts
- Service contract attachment rate over 10%
- 40% of Parts sales through e-commerce
- Guaranteed 24hrs availability of contracted parts
- Design to service to enhance service sales

## FUTURE AMBITION

**Kalmar is service driven company**

- We co-create with our customers and partners in ecosystems to deliver unique value
- We take responsibility of customer operations through performance based services
- Fully automated spare parts delivery process



# Hiab undisputed #1 in the industry segment for services

DIGITALISATION  
**SERVICES**  
LEADERSHIP

## MAIN ACHIEVEMENTS

### Fundamentals in place

- Maintenance growth 10%
- Industry leader in parts supply chain
- Efficiency improvements from new parts distribution center in US
- World class spare parts webshop introduced
- ProCare maintenance service launched

## NEXT STEPS

### Accelerating growth

- Expand service portfolio
- Deploy new service offerings based on connected solutions
- Globalize the spare parts webshop
- Strengthen the service network
- Implement service operational excellence

## FUTURE AMBITION

### Future ambition #1

- The undisputed #1 in the industry segment for services
- Complete service offering with connectivity enhancing the customer lifecycle value
- World class service operation and network

# MacGregor ensures to be the industry reference in services

DIGITALISATION  
**SERVICES**  
LEADERSHIP

## MAIN ACHIEVEMENTS

### Independent service sales organization

- Clear Service strategy in place
- Service product portfolio development
- Shipter E-commerce solution

## NEXT STEPS

### Increase spare parts capture rates

- Move more customers into service contracts
- Design to service to enhance spare parts sales
- Improve response times and delivery performance through single location in Poland
- Launch environmentally friendly solutions
- Digital services, e.g. drone service of difficult to inspect components and drone deliveries of critical components

## FUTURE AMBITION

### Offer true Lifecycle solutions to maximise customer value

- Maintain leading position in industry and ensure MacGregor is the reference
- Capturing increasing value through service based business models

# Build world class leadership

**Presented by:**

Mikko Pelkonen, SVP, Human Resources



# Building world-class leadership to deliver results

DIGITALISATION  
SERVICES  
**LEADERSHIP**

## MAIN ACHIEVEMENTS

### Implemented fact based leadership development and assessment model to deliver results

1. Our fact based leadership development and assessment model is fit for our strategy execution and focuses on causality from behavior to bottom-line
2. Our fact-based leadership performance assessment model accelerates strategy execution - we've applied it aggressively to renew 70 of our top 100 leaders and assessed and trained top 1,000 leaders 2016-2017
3. Our harmonized performance management and incentive systems are strongly aligned with our strategy. Digitalized target setting and incentive platform implemented for top 1,000
4. Our digitalized talent process ensures bottom up talent pipeline visibility, renewal and performance management (top 750 positions planned, with 900 successors)

## NEXT STEPS

### Turning the low-performing units to high-performing units

1. Complete the initial roll-out of the leadership assessment and training for all the 1,300 leaders
2. Apply continuous personal change planning to help leaders turn around low-performing organizational climates - leader by leader
3. Solidify leadership model and training as standard part of a Cargotec leadership career and regular performance management process
4. Implement the harmonized performance management and incentive system for next 5,000 leaders (2018 target setting) to drive performance
5. Continue to build our HR analytics platform and merge the human data with traditional business KPIs to drive performance

## FUTURE AMBITION

### Leadership as a competitive advantage for Cargotec

1. **People:** Our people are the most sought-after people leaders and transformers in the industry
2. **Mindset:** Our leaders think people first, powerpoint second
3. **Process:** Leadership performance is embedded in all aspects of the leaders' employment lifecycle and our performance management platform is the foundation for our superior performance
4. **Data:** Every leader gets close to real-time data on how they impact their team and takes actions accordingly
5. **Performance:** Long-term we target 50% increase in leaders who create high performing organizational climates (from 40% to world-class 60%)

