Investor presentation, December 2017

Becoming the leader in intelligent cargo handling

Content

CARGOTEC

Cargotec in brief

CARGOTEC

Strong global player with well-balanced business

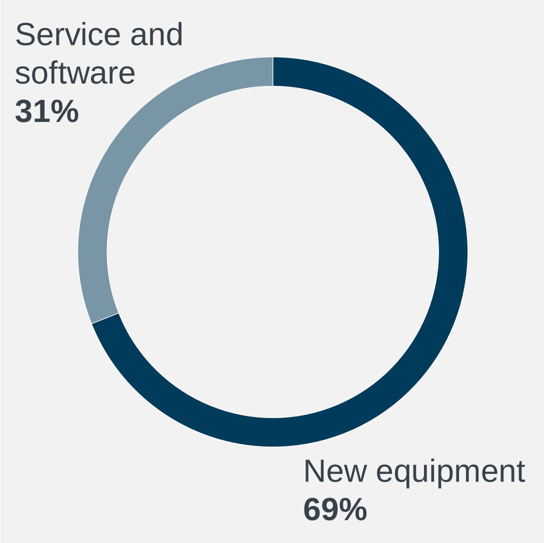
Sales: EUR 3,311 million EBIT: 7.5%

Kalmar
Sales: **EUR 1,621 million**
EBIT: **8.2%** (EUR 133.6 million)

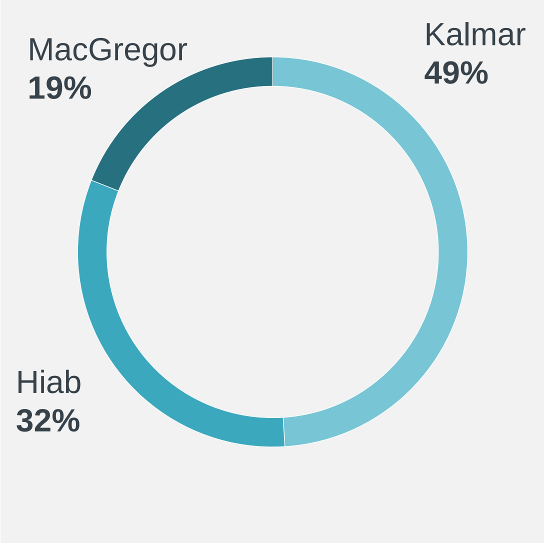
Hiab
Sales: **EUR 1,061 million**
EBIT: **14.2%** (EUR 150.2 million)

MacGregor
Sales: **EUR 631 million**
EBIT: **1.6%** (EUR 10.0 million)

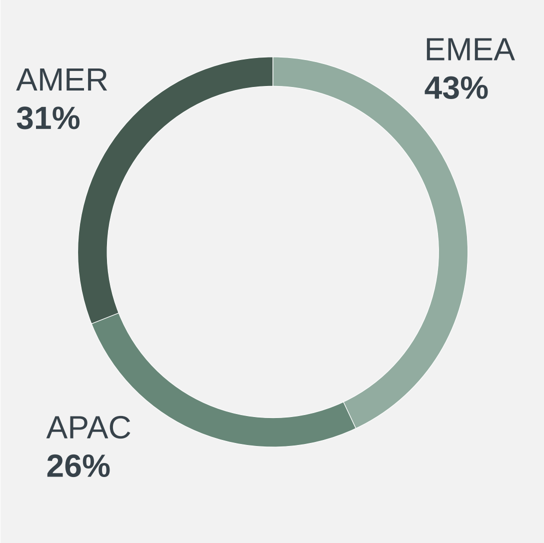
Sales split: new equipment vs service and software



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

Figures: Q3 2017 LTM (Q4/16-Q3/17)
EBIT % excluding restructuring costs

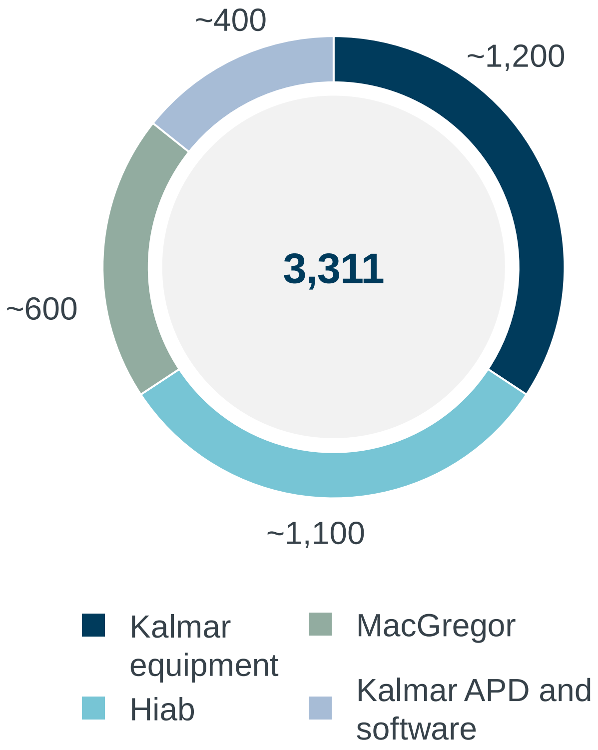
Key competitors

Cargotec is a leading player in all of its business areas

	KALMAR	HIAB	MACGREGOR
Global main competitors	ZPMC, KONECRANES Lifting Businesses, TEREX CORPORATION, LIEBHERR, ABB, SANY	PALFINGER	TTS, Rolls-Royce, NOV
Other competitors		FASSI, HMF, HYVA, TERBERG KINGLIFTER Manufacturer of truck mounted forklifts	NAVALIMPIANTI GROUP, MITSUBISHI HEAVY INDUSTRIES, LTD., Huisman, GERMAN LASHING, SMS KOREA, SEC SHIP'S EQUIPMENT CENTRE GRONINGEN B.V., IHI, LIEBHERR

Cargotec's portfolio is well diversified

Net sales*, Q4/16 – Q3/17
EUR million



	Trend in orders, last 12 months	Profitability: EBIT margin, last 12 months
Kalmar software (Navis) and Automation and Projects division	→	Low due to long term investments
MacGregor	-21%	**1.6%**
Hiab	+13%	**14.2%**
Kalmar equipment and service (excluding Automation and Projects Division & Navis)	→	Low double digit

* Figures rounded to closest 100 million

Investment highlights

CARGOTEC

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 service & software business and asset light business model are increasing stability
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, leading brands in markets with long term growth potential

Global megatrends

- Globalisation and trade growth
- Urbanisation
- Growing middle class

Growth drivers

- Container throughput growth
- Construction activity
- Automation
- Digitalisation

Competitive advantages

- Strong brands
- Full automation offering
- Technology leadership

Market position

- #1 or #2 in all major segments

2. 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

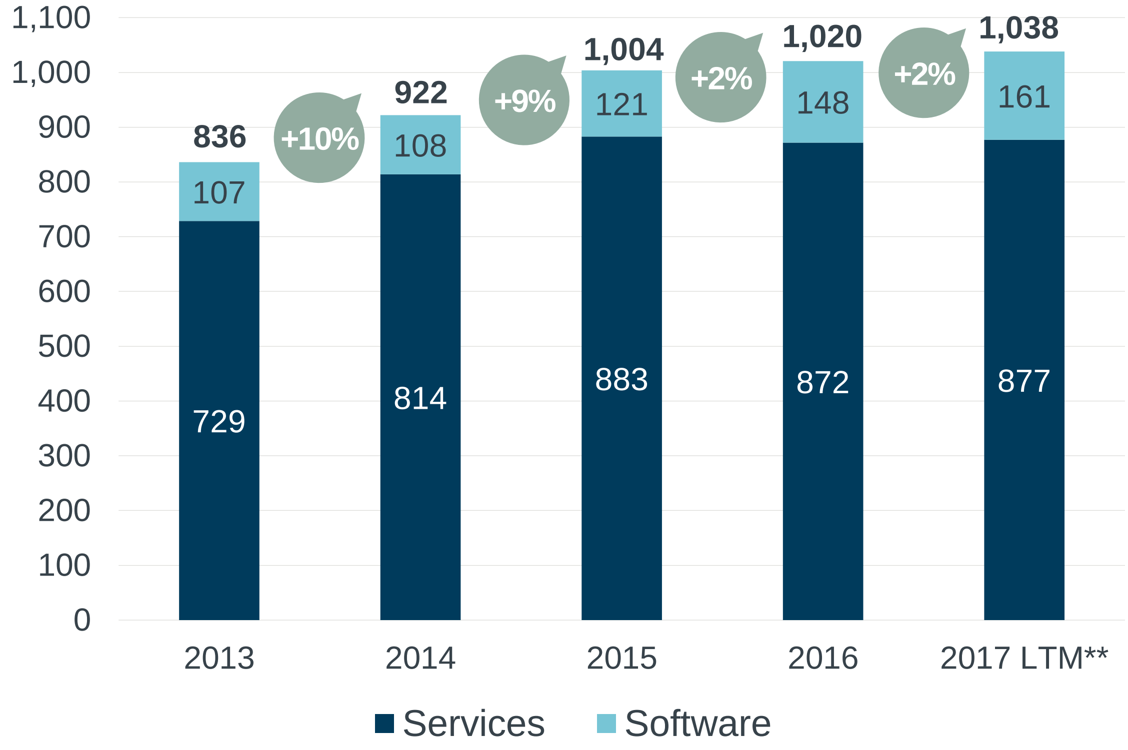
World-class service offering

Build world-class leadership

3. Growing service & software business and asset light business model are increasing stability

Service and software* sales

MEUR



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

Next steps to increase service and software sales:

- All new equipment connected by 2018
- Build on Navis position as industry leader
- Increase spare parts capture rates
- Boost service contract attachment rates

*) Software sales defined as Navis business unit and automation software
**) LTM = Last 12 months (Q4/16-Q3/17)

4. Capitalizing global opportunities for future automation and software growth

Industry trends support growth in port automation:

- Only 40 terminals (out of 1,200 terminals) are automated or semi-automated currently globally
- Ships are becoming bigger and the peak loads have become an issue
- Increasing focus on safety
- 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
- Over 50% of port software market is in-house, in long term internal solutions not competitive
- Navis has leading position in port ERP

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

Service and software
Targeting service and software sales 40% of net sales, minimum EUR 1.5 billion in 3-5 years*

Balance sheet and dividend
Target gearing < 50% and increasing dividend in the range of 30-50% of EPS, dividend to be paid twice a year***

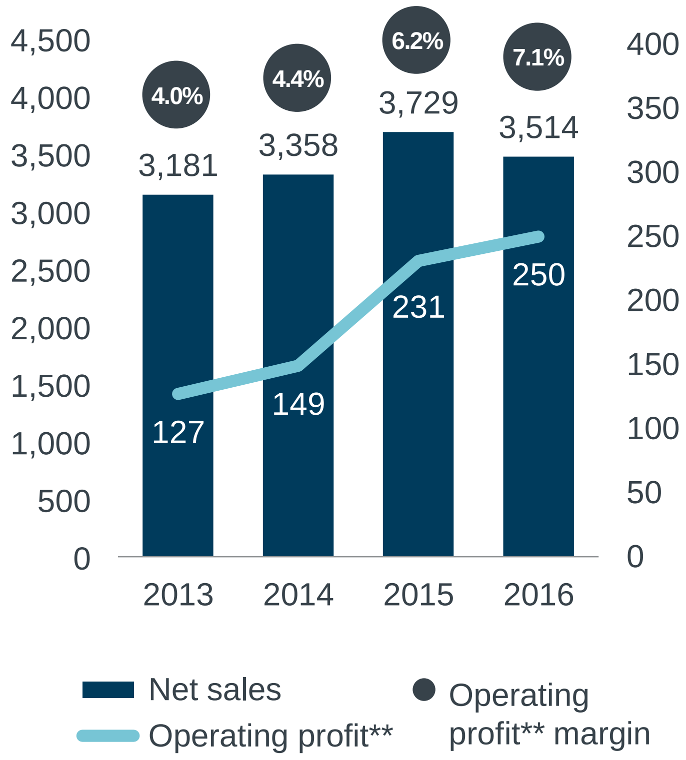
Profitability
Target 10% operating profit and 15% ROCE in 3-5 years*

Higher service and software sales key driver for profitability improvement

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

Product re-design and improved project management

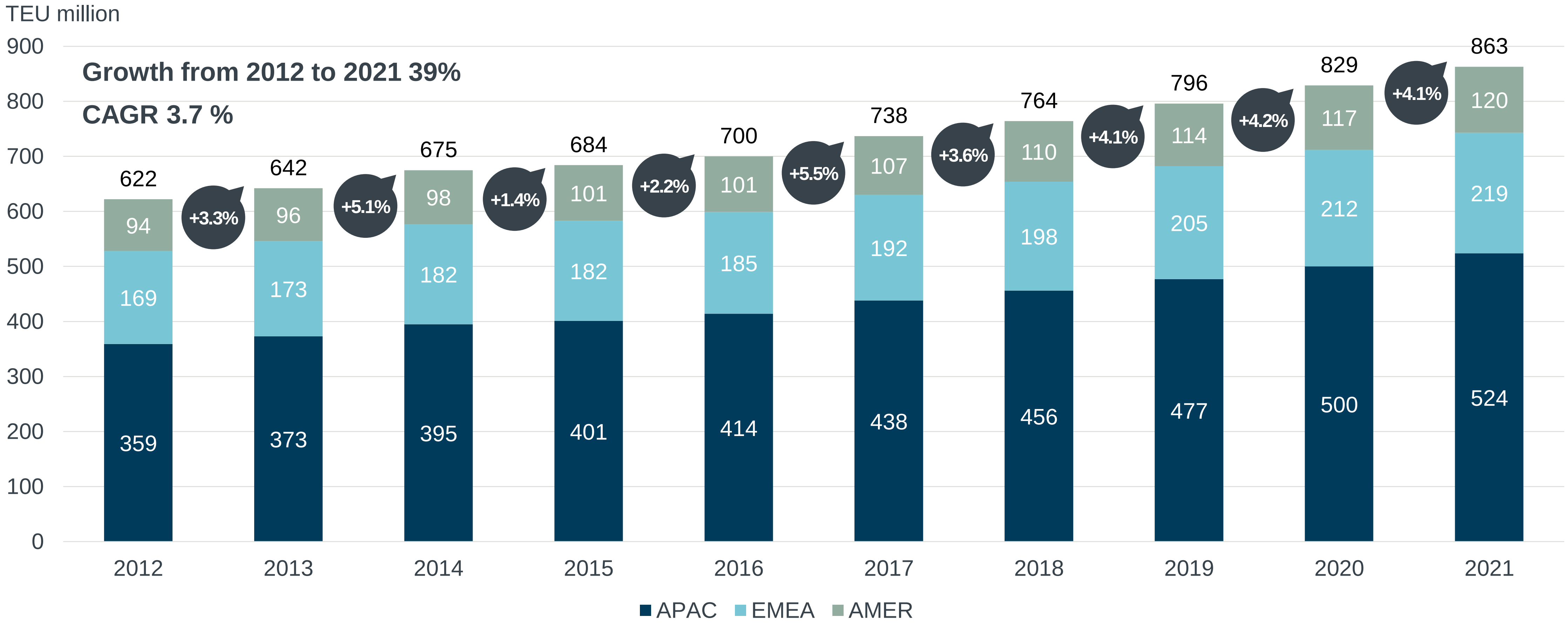
Sales and operating profit** development



*Target announced in September 2017
**Excluding restructuring costs
***Proposal to be made to AGM 2018

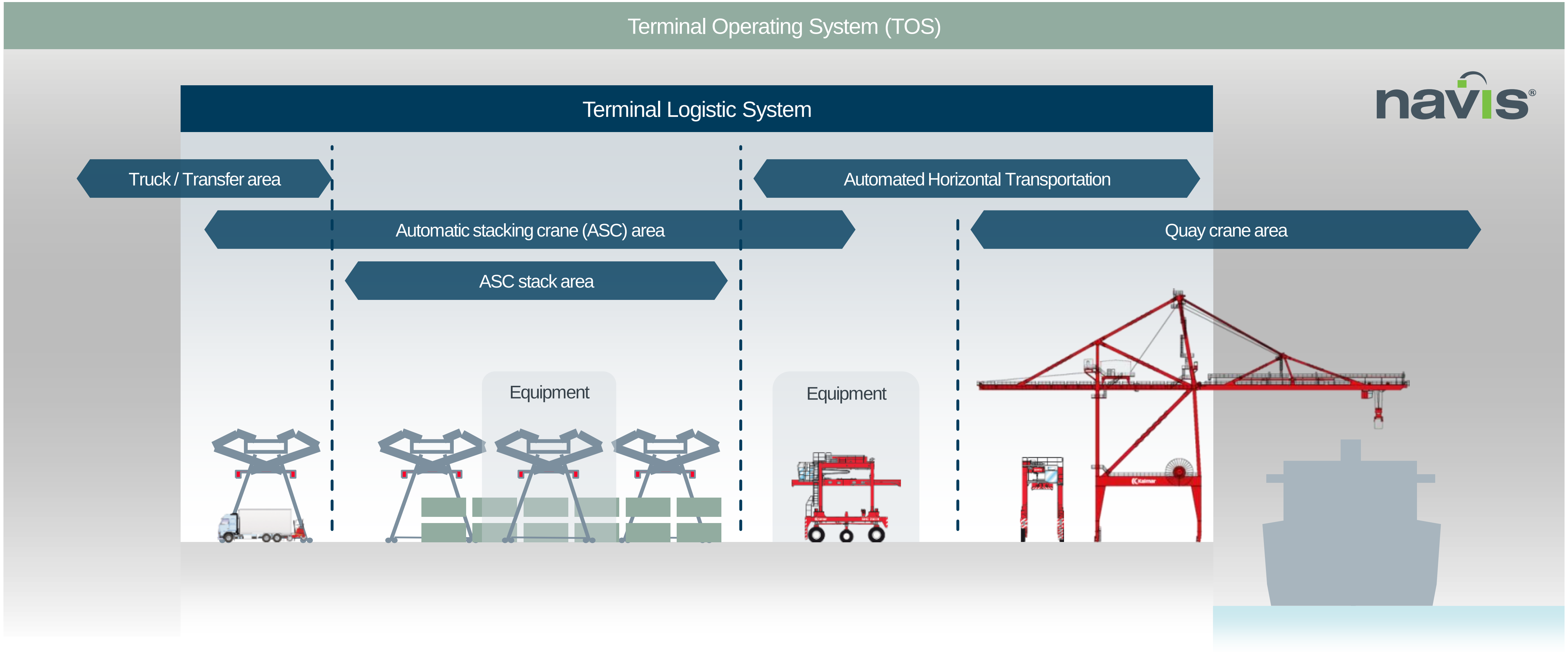
Kalmar

Container throughput still forecasted to grow year on year



Source: Drewry: Container forecaster Q3 2017
(Figures for 2012-2013 from Drewry Global Container Terminal Operators Annual Report 2013)

Flexible and scalable Navis TOS software



Kalmar's operating environment

KALMAR

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

XVELA

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

navis

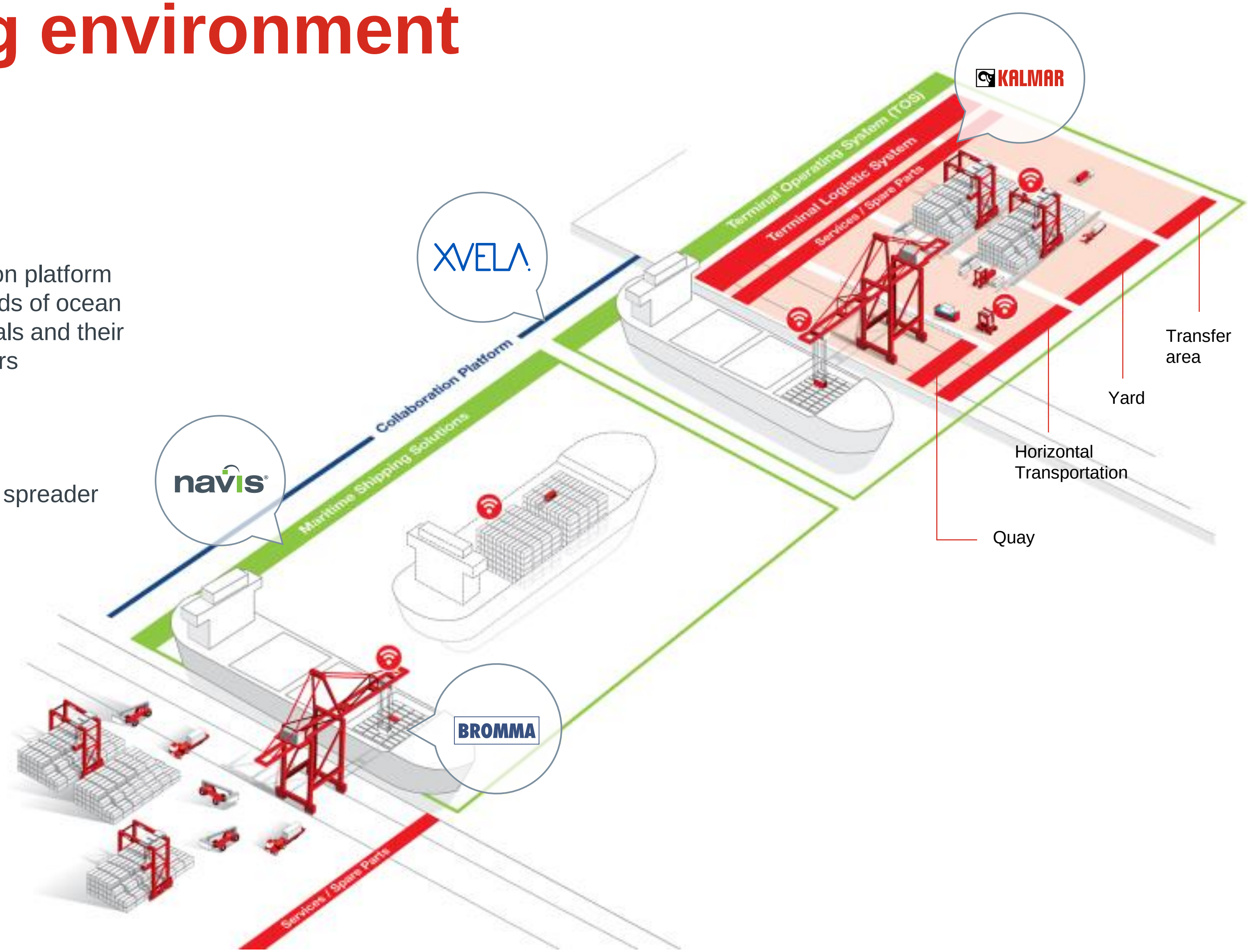
TOS coordinates and optimises the planning and management of container and equipment moves in complex business environments.

Navis provides also maritime shipping solutions:

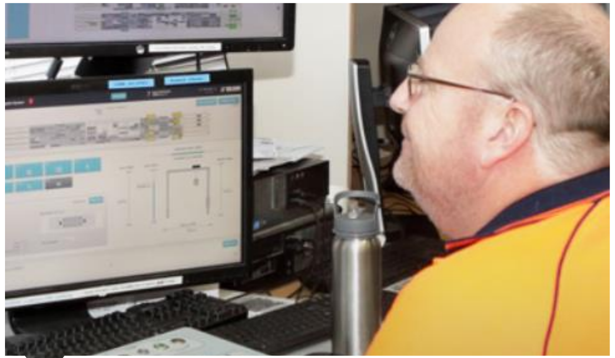
- Stowage planning
- Vessel monitoring
- Loading computer
- Route planning

BROMMA

Industry leading spreader manufacturer

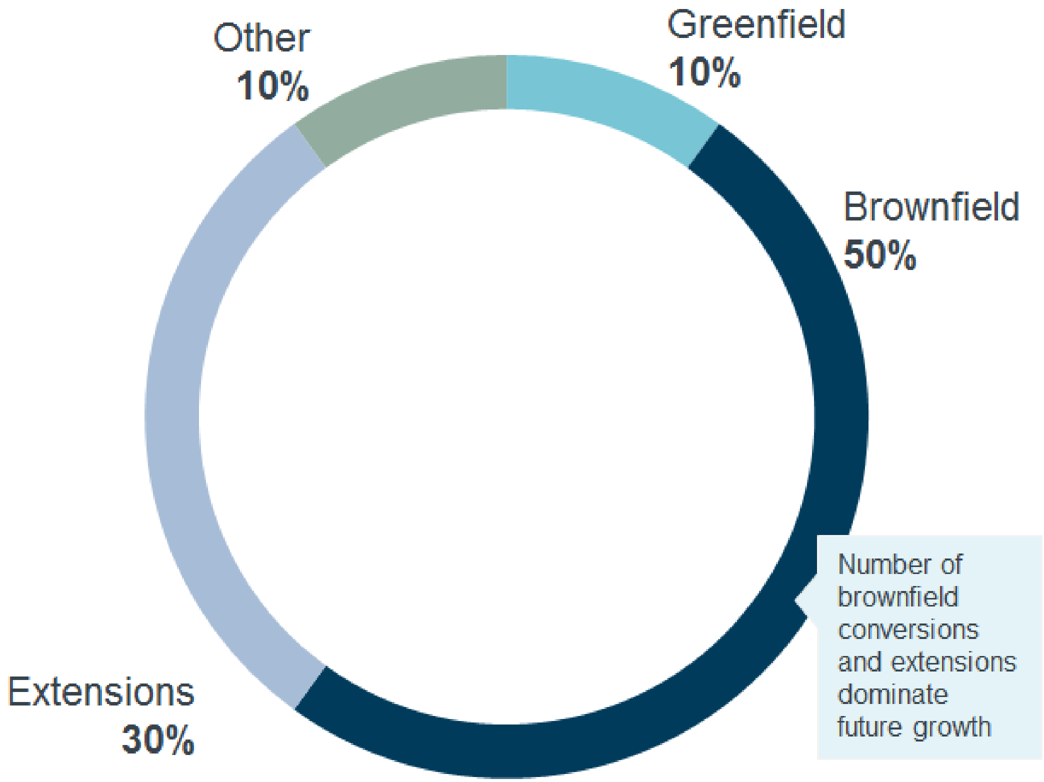


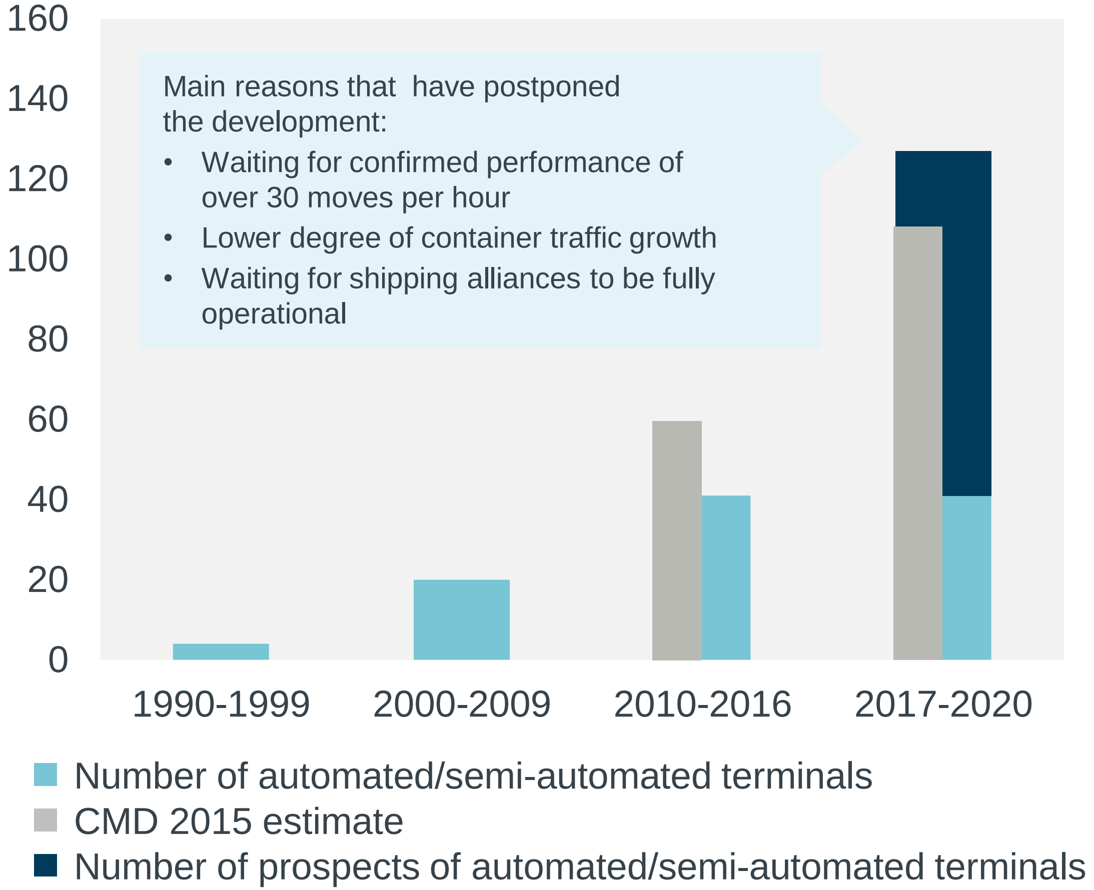
Services provide our biggest medium term growth opportunity



	Equipment & Projects	Software	Services
Market share	**20-30%**	**20-30%**	**3-5%**
Market size	**6B€**	**0.5-1B€**	**8B€**

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





Source: Kalmar SalesForce
Automated RTG projects and prospects excluded

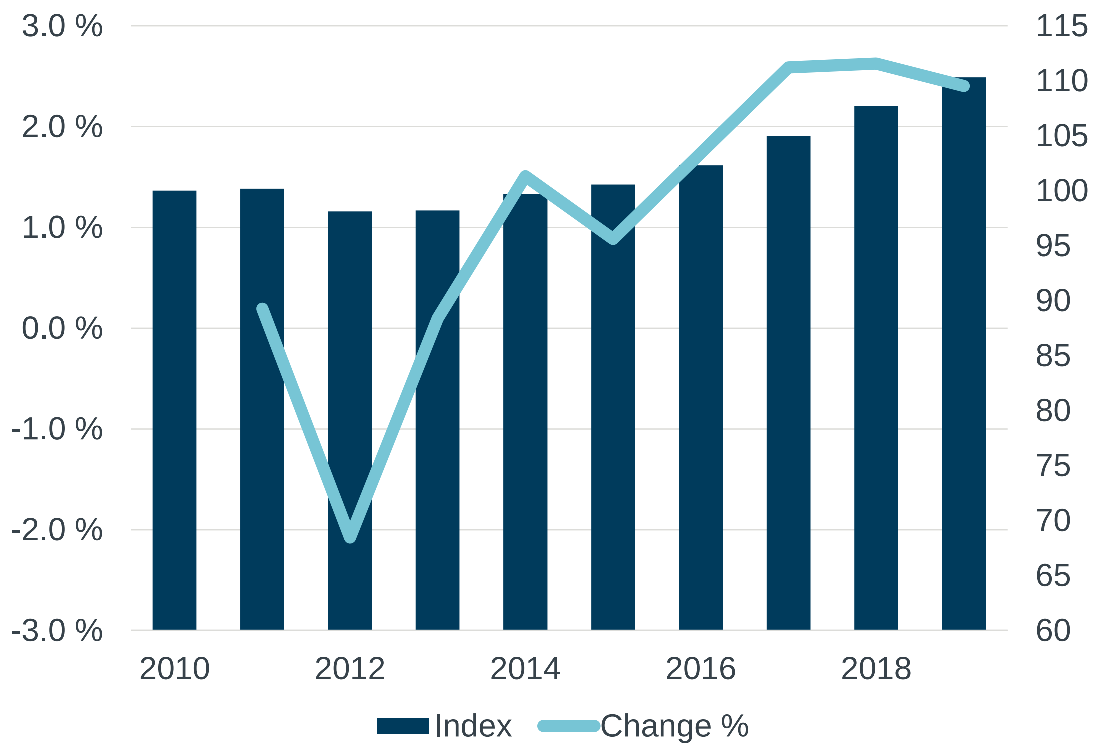
Hiab

CARGOTEC

Construction output driving growth opportunity

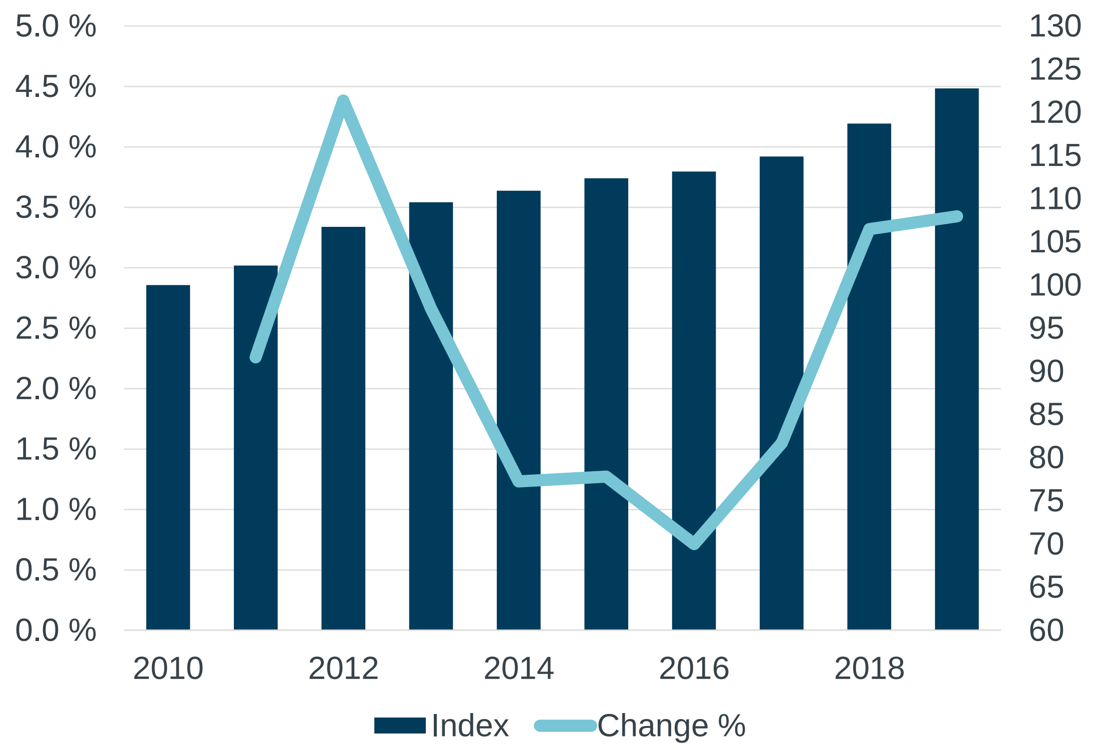
EMEA construction output

y/y change (%)



AMER construction output

y/y change (%)



Oxford Economics: Industry output forecast 9/2017

Strong market positions in all product lines

		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

Attractive 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**

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

CARGOTEC

We are an active leader in all maritime segments

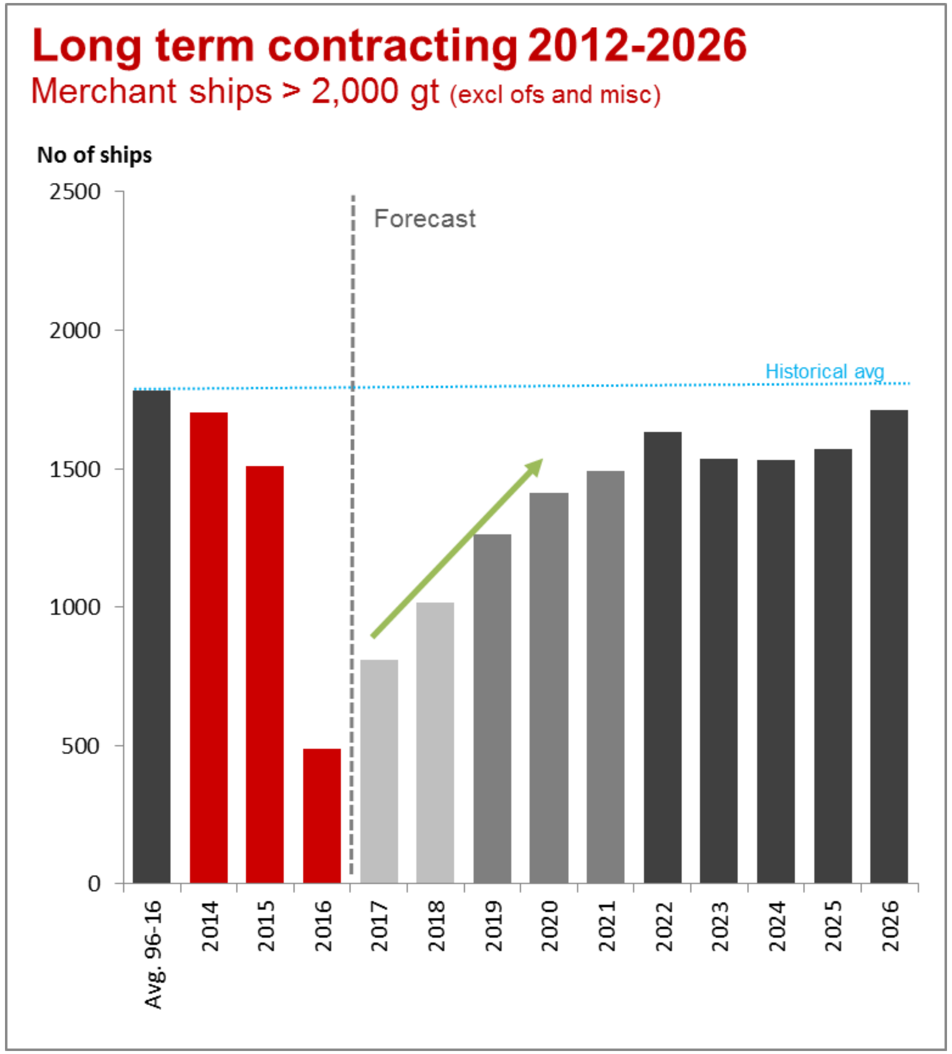
~3/4 of sales | ~1/4 of sales

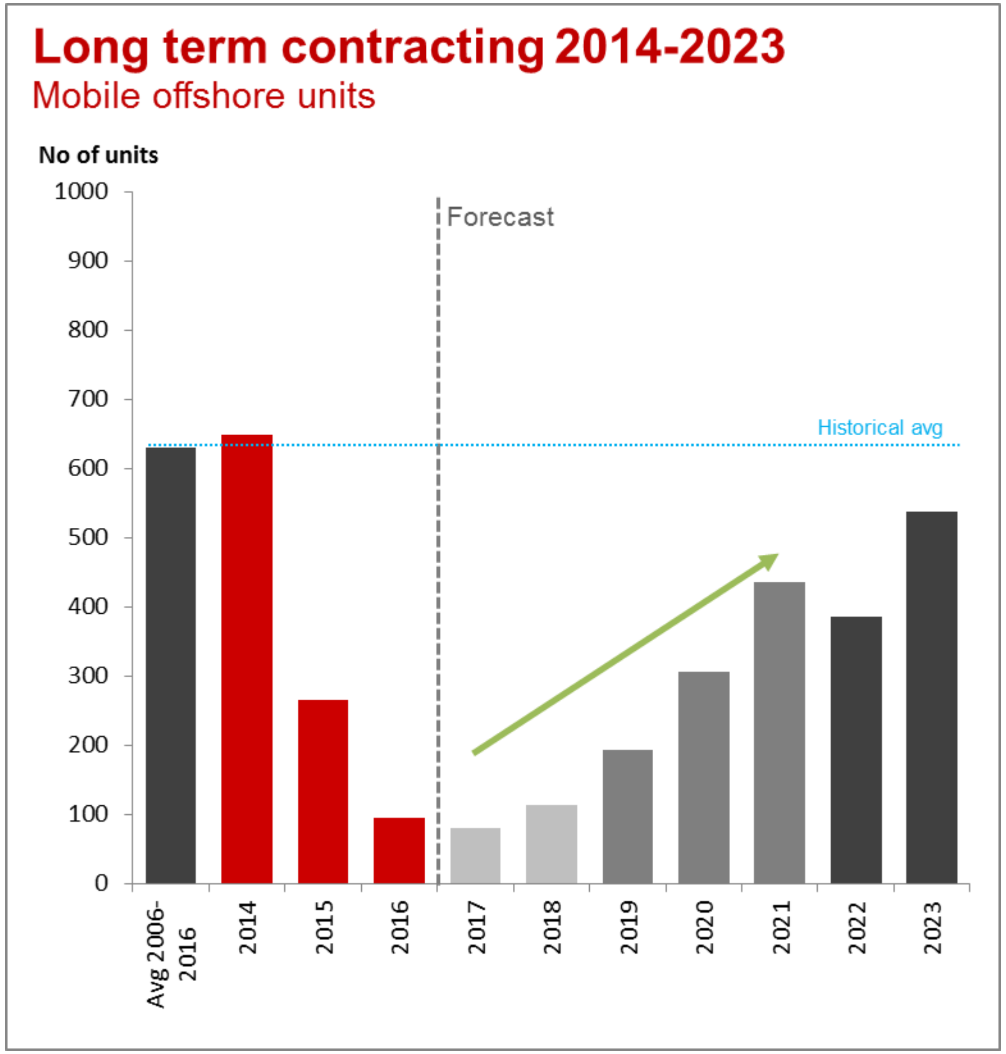
Merchant Cargo Flow	Marine People Flow	Marine Resources & Structures	Naval Logistics and Operations	Offshore Energy
MARKET POSITION #1	#1	#1-2	#1-2	#1
▪ Container cargo ▪ Bulk cargo ▪ General cargo ▪ Liquid cargo ▪ RoRo cargo	▪ Ferry ▪ Cruise ▪ Superyachts ▪ Walk-to-work	▪ Research ▪ Fishery ▪ Aquaculture ▪ Mining ▪ Floating structures	▪ Naval & Military Supplies Logistics ▪ Naval & Military Operations Support ▪ Ship-to-ship transfer	▪ Oil & Gas ▪ Renewables

Lifecycle Services

Picture: Statoil

Merchant Ships and Offshore contracting activity picking up





Source: Clarksons September 2017

MacGregor's asset-light business model gives flexibility

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

Cost-efficient scaling

90% of manufacturing outsourced

30% of design and engineering capacity outsourced

Recent progress

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

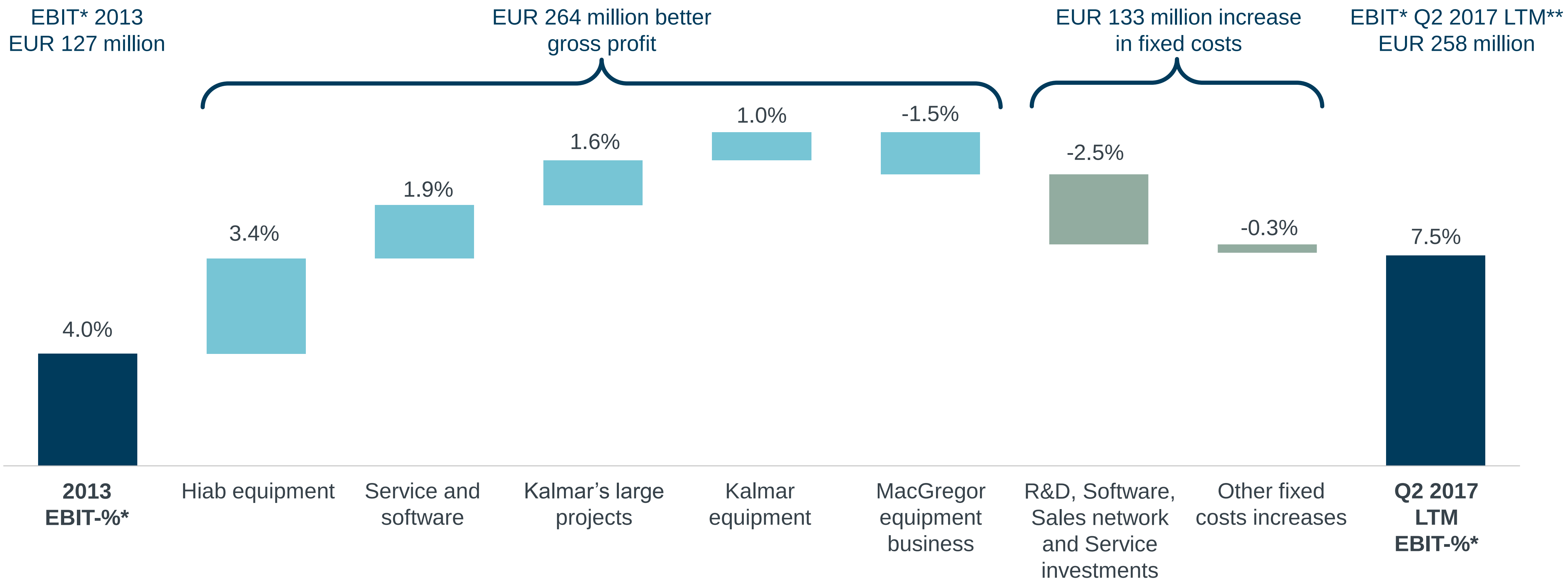
- Personal change planning to help leaders turn around low-performing organizational climates - leader by leader

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

We have increased EBIT* margins since 2013 through operational improvements



*Excluding restructuring costs
**LTM=Last 12 months (Q3/16-Q2/17)

Business Area cost efficiency programs are on track

	Scope and Target	Status September 2017
MacGregor	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 20 million savings in 1–9/2017
Interschalt	Re-organising operations in Germany, USA and China Annual savings EUR 2 million in 2017	Layoffs completed
Transfer of Kalmar production site	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

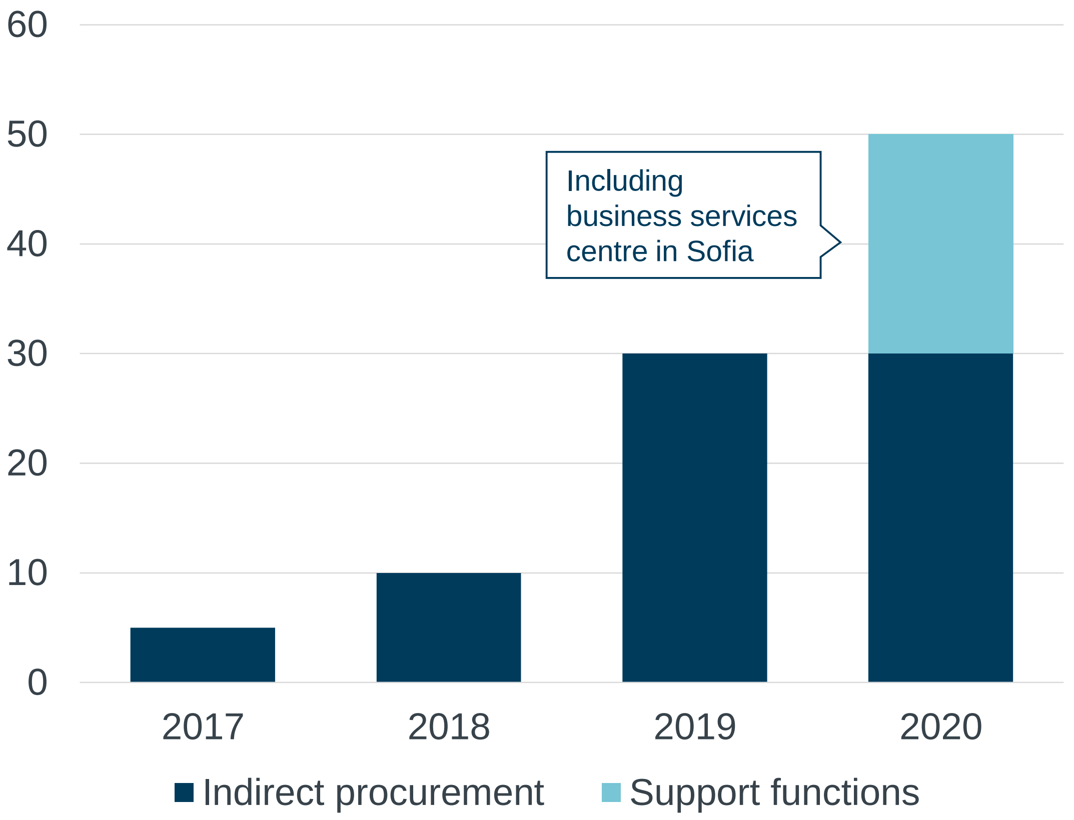
WHY
- Investments in common systems as enabler
- EUR ~600 million addressable indirect cost base

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

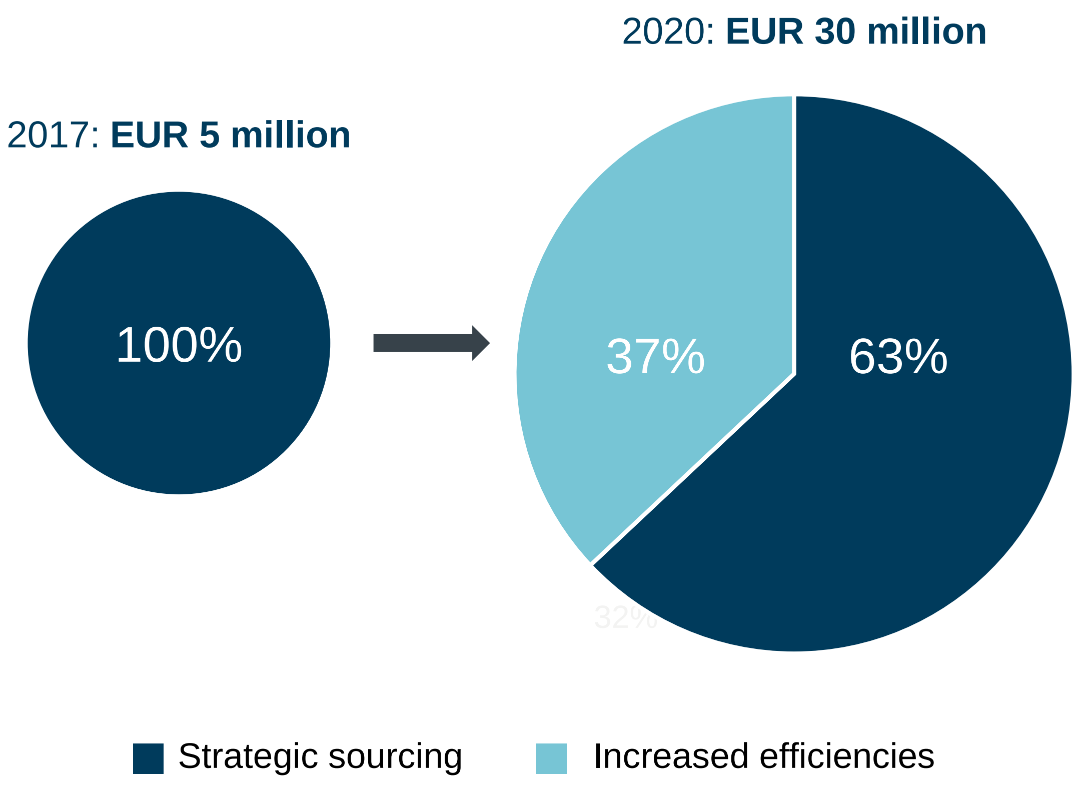
HOW
- Central procurement organization to drive indirect procurement cost and efficiency
- Establishing support function services in Sofia
- Automation in Finance, HR, information management and procurement

RESULTS
- EUR 3 million savings realised in 1–9/2017

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

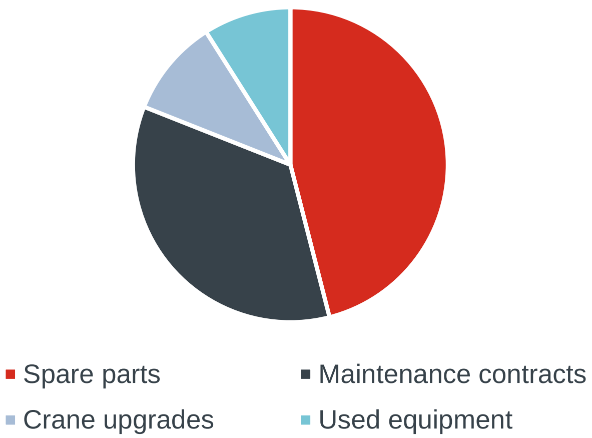
Targeting EUR 1.5 billion service and software sales in 3-5 years

Cargotec service sales total EUR 872 million (Q2 2017 LTM*)

- Spare parts the biggest category, around 50% of total service sales
- Maintenance around 30% of total service sales

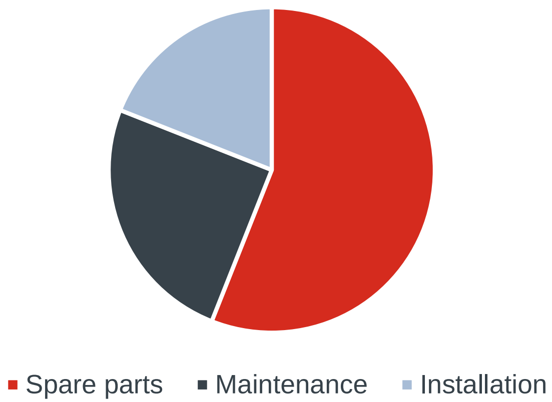
Kalmar

MEUR	Q2 LTM*
Service orders received	**425**
Service sales	**439**



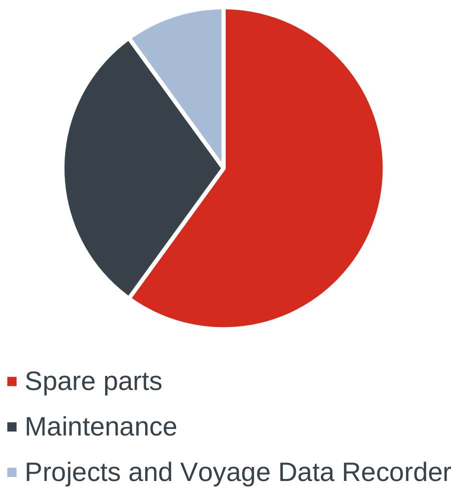
Hiab

MEUR	Q2 LTM*
Service orders received	**243**
Service sales	**237**



MacGregor

MEUR	Q2 LTM*
Service orders received	**194**
Service sales	**196**



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

M&A strategy focusing on bolt-on acquisitions

Key acquisition criteria

Contribution to 15% ROCE target

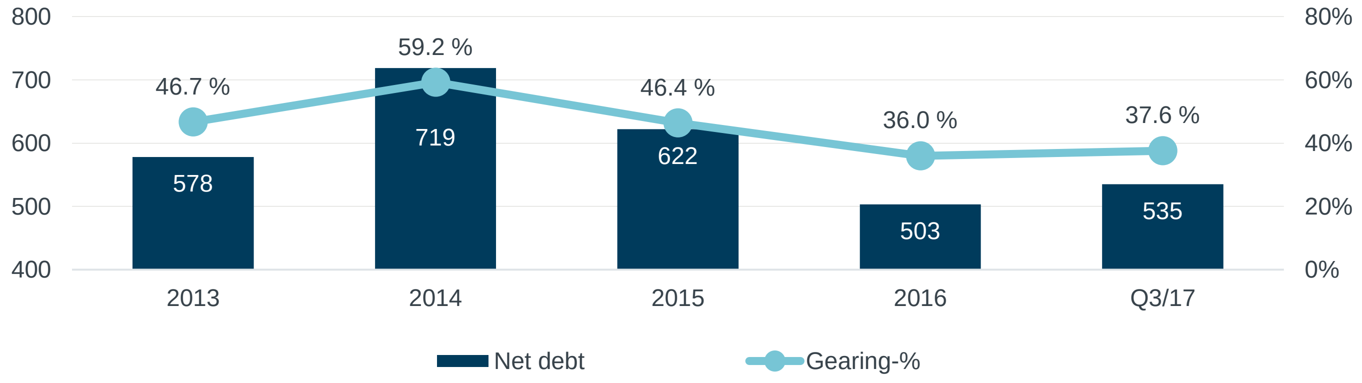
Recurring business

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

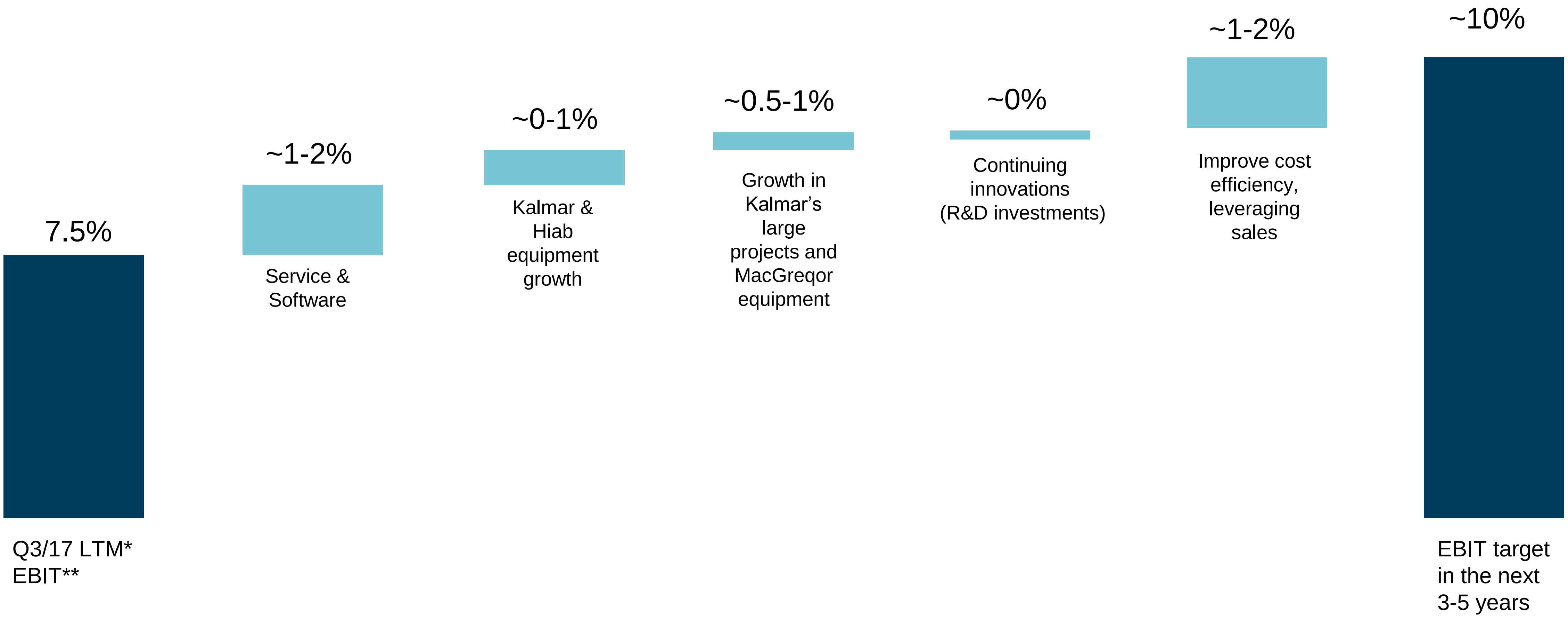
Hiab

Expand geographical presence, service and product offering

MacGregor

Focus on distressed assets and software and intelligent technology

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



*LTM=Last 12 months (Q4/16-Q3/17)
**Excluding restructuring costs

Market environment in 2017

Growth in number of containers handled at ports accelerated

Strong interest for efficiency improving automation solutions

- Customers' decision making is slow

Construction activity on good level

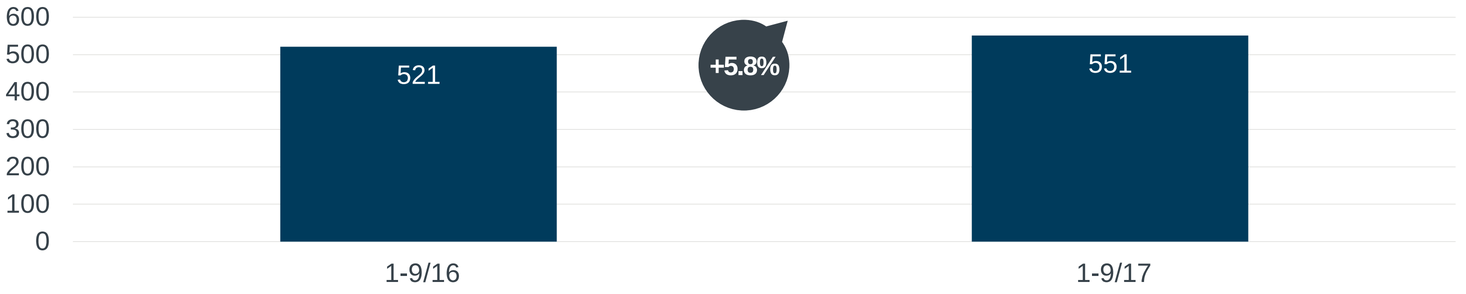
- Good development continued in Europe and the US

Marine cargo handling equipment market still weak

- Market improved in merchant sector, but orders remained well below historical levels

Global container throughput (MTEU) – Key driver for Kalmar

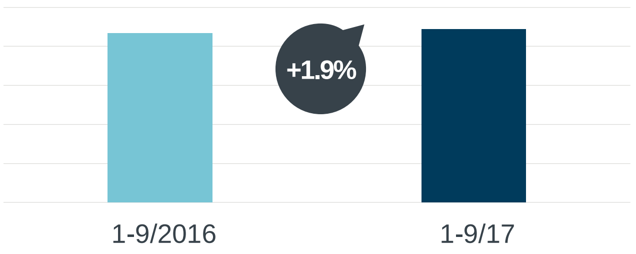
Source: Drewry



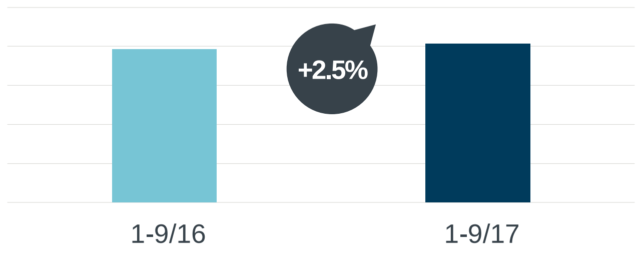
Construction output – Key driver for Hiab

Source: Oxford Economics

United States



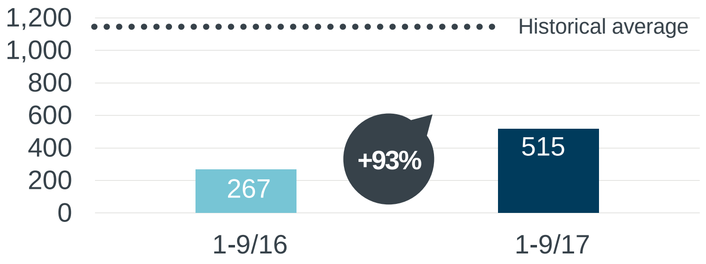
Europe



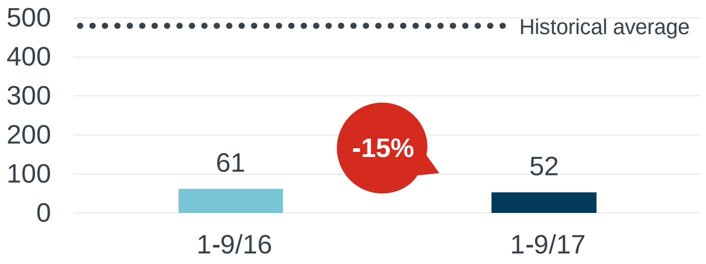
Long term contracting – Key driver for MacGregor

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

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



Mobile offshore units



Highlights of Q3 2017 – Service and software one third of sales

Orders received increased in Hiab, MacGregor and services

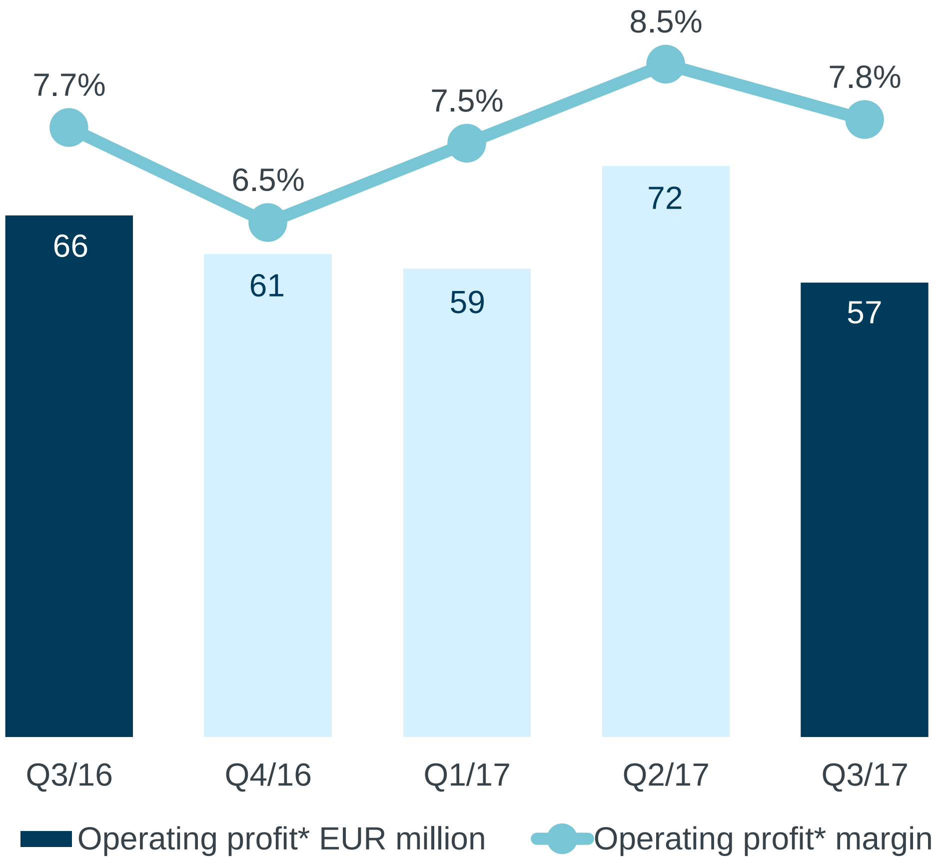
- MacGregor's orders grew 12% y/y
- Service orders grew 6%
- Kalmar orders decreased 10%

Sales below expectations

Hiab continues to show strong development

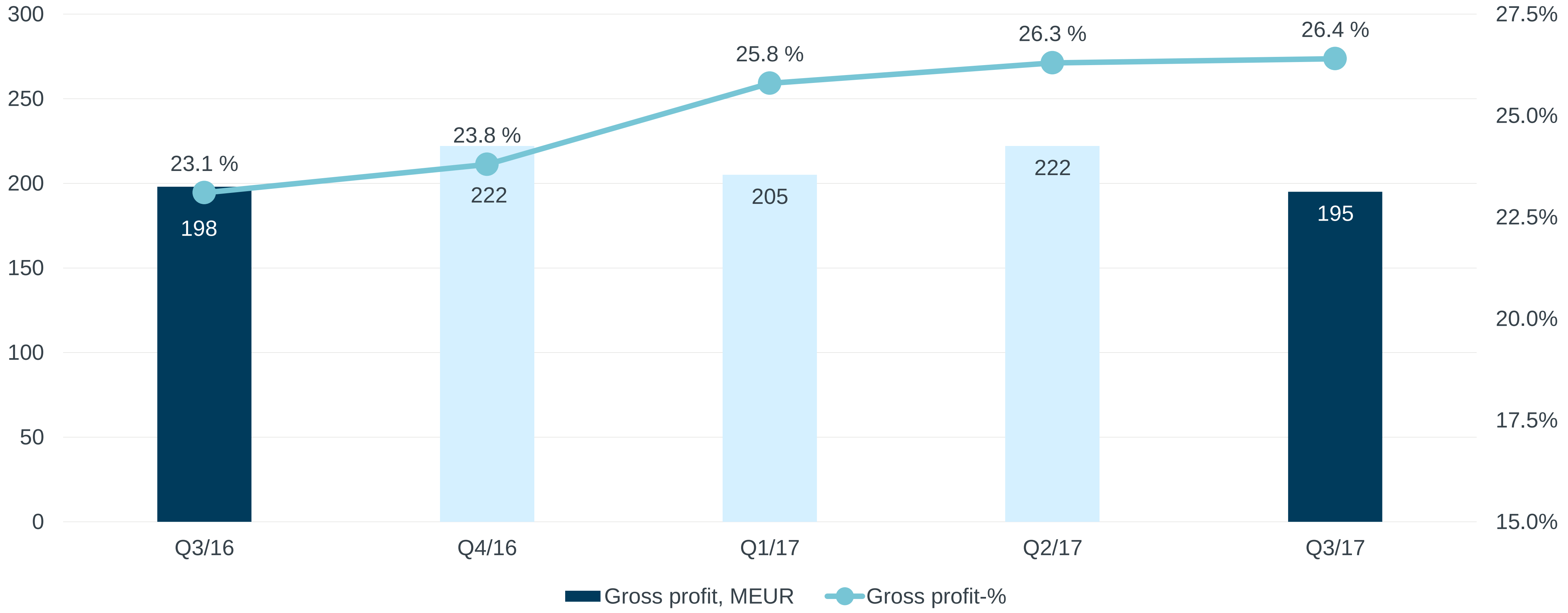
Service and software sales 33% (29%) of total sales

- Good development in Kalmar: service sales grew 8%



*) Excluding restructuring costs

Gross profit margin continued to improve



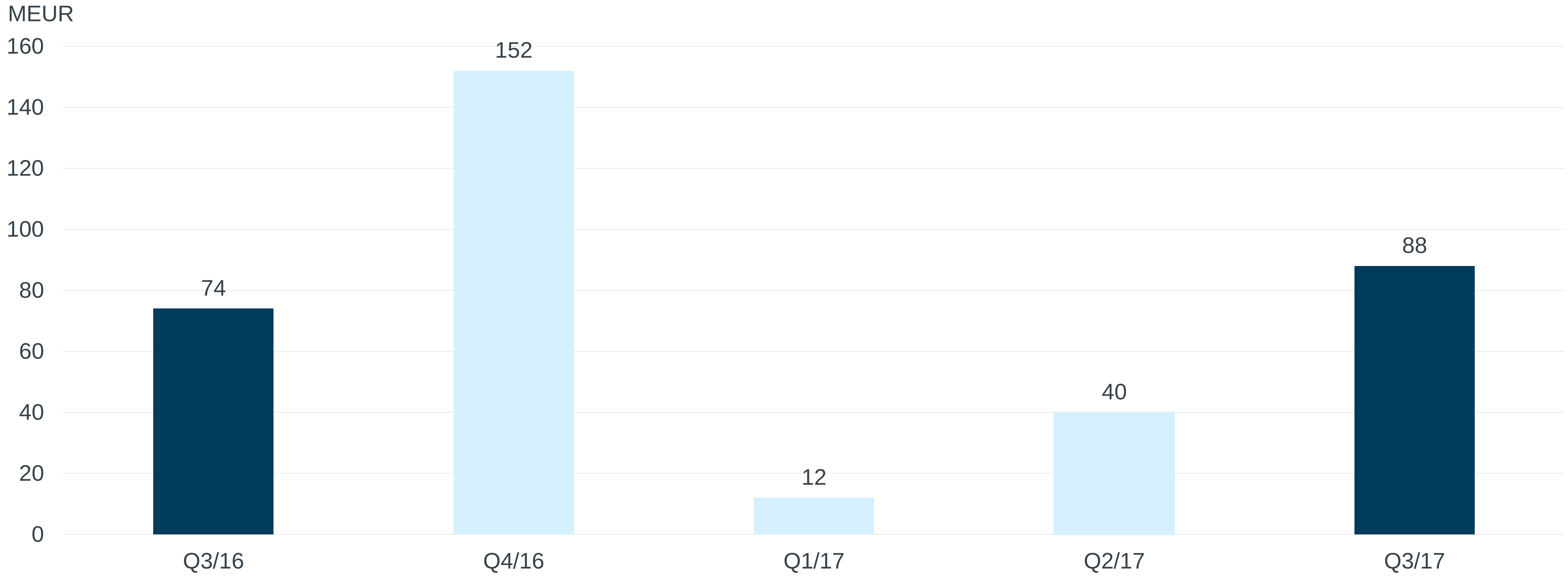
Key figures – Orders received increased

	7–9/17	7–9/16	Change	1–9/17	1–9/16	Change
Orders received, MEUR	**749**	733	+2%	**2,406**	2,461	-2%
Order book, MEUR	**1,698**	1,874	-9%	**1,698**	1,874	-9%
Sales, MEUR	**740**	854	-13%	**2,378**	2,581	-8%
Operating profit*, MEUR	**57.4**	65.9	-13%	**188.6**	189.3	0%
Operating profit*, %	**7.8%**	7.7%		**7.9%**	7.3%	
Restructuring costs, MEUR	**4.7**	9.7	-52%	**19.2**	12.8	+50%
Operating profit, MEUR	**52.7**	56.2	-6%	**169.4**	176.4	-4%
Operating profit, %	**7.1%**	6.6%		**7.1%**	6.8%	
Earnings per share, EUR	**0.51**	0.52	-2%	**1.66**	1.75	-5%
Earnings per share, EUR**	**0.56**	0.63	-11%	**1.87**	1.89	-1%

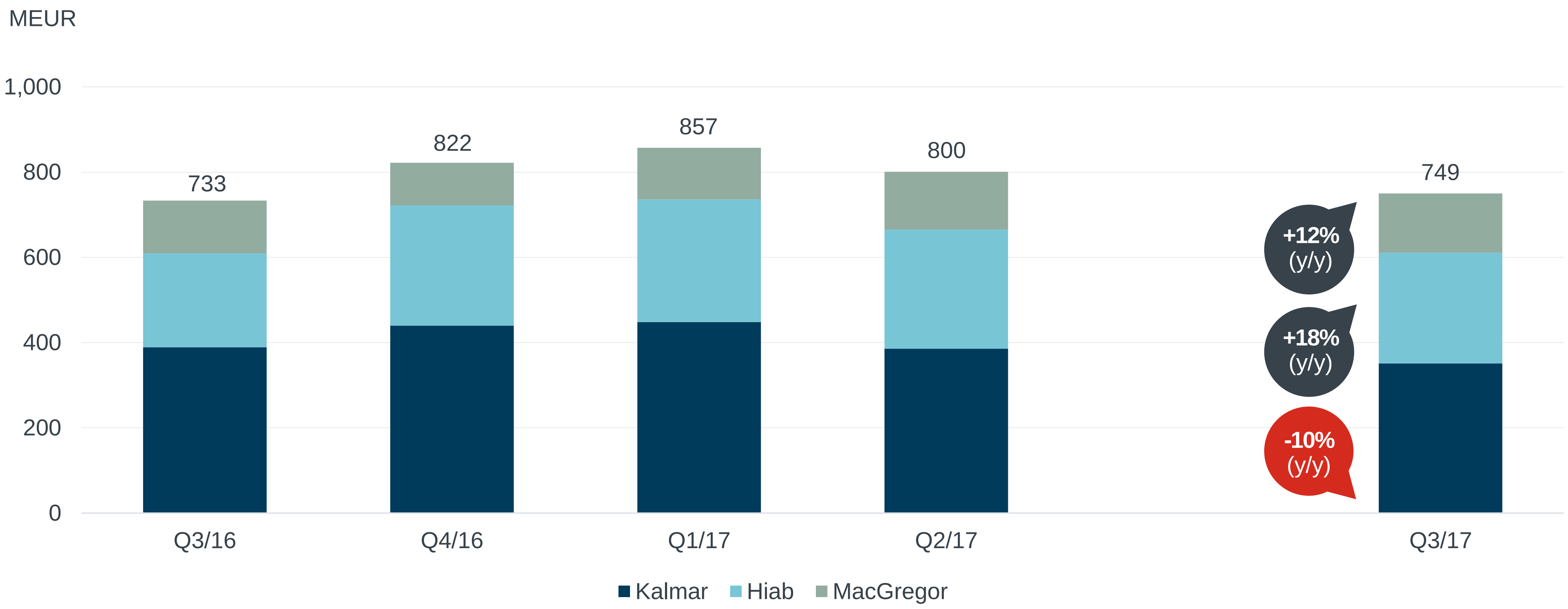
*) Excluding restructuring costs

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

Cash flow from operations improved

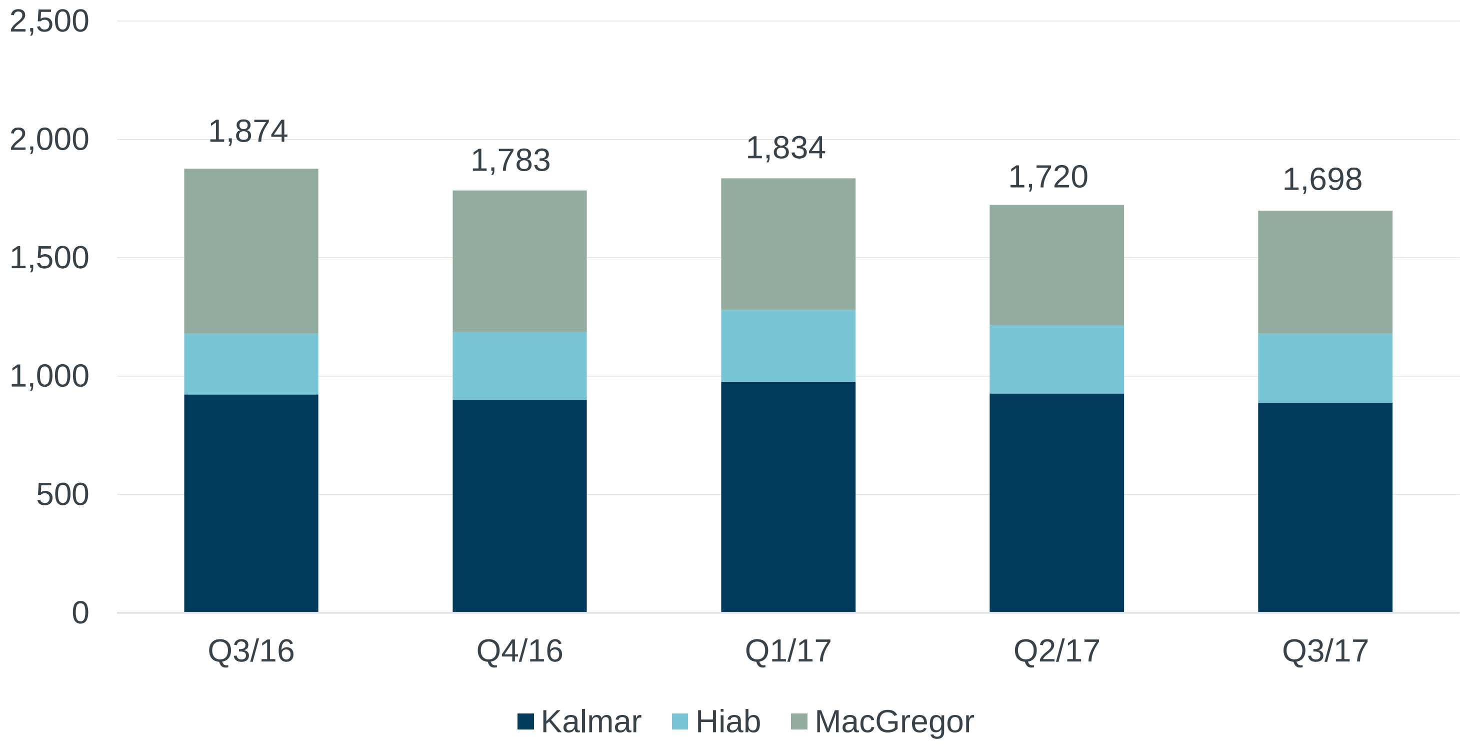


Orders received increased in Hiab and MacGregor

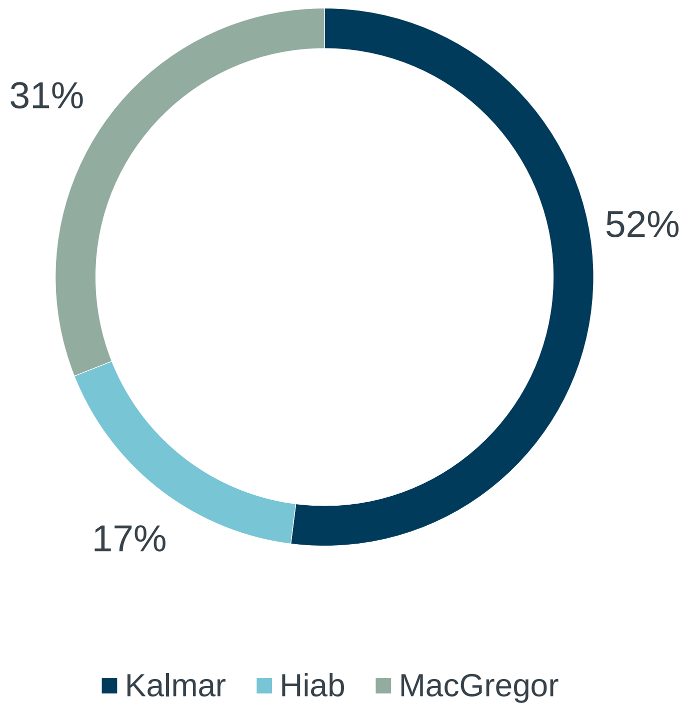


Hiab’s order book strengthened

Order book
MEUR

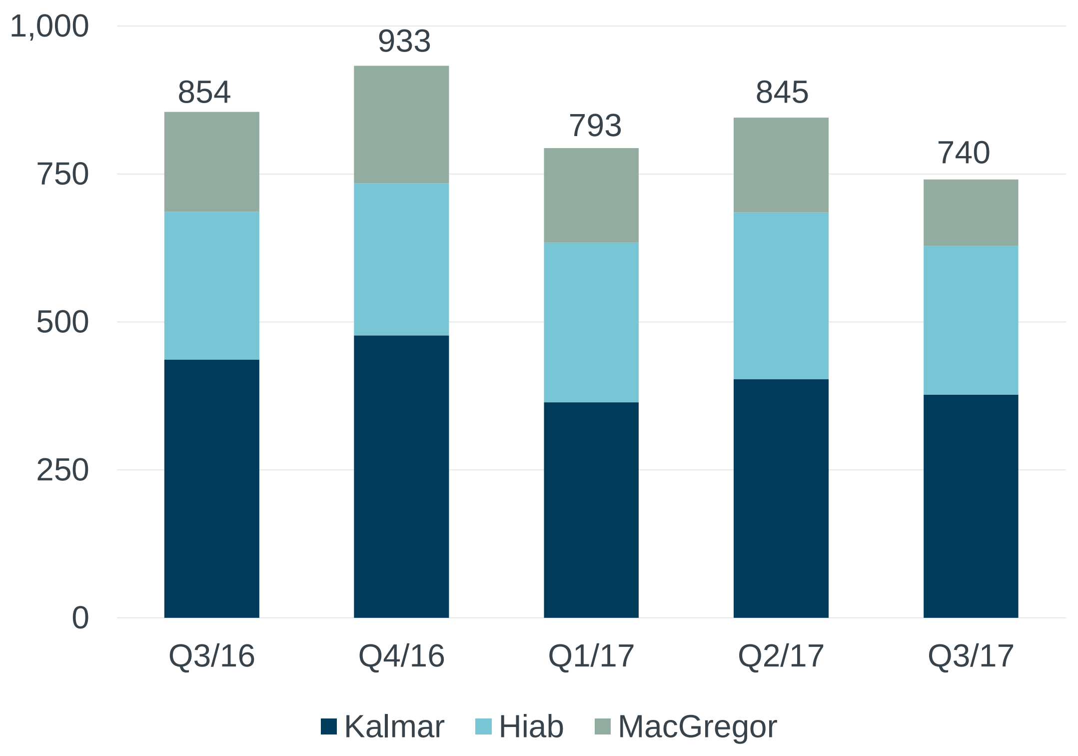


Order book by reporting segments, Q3 2017

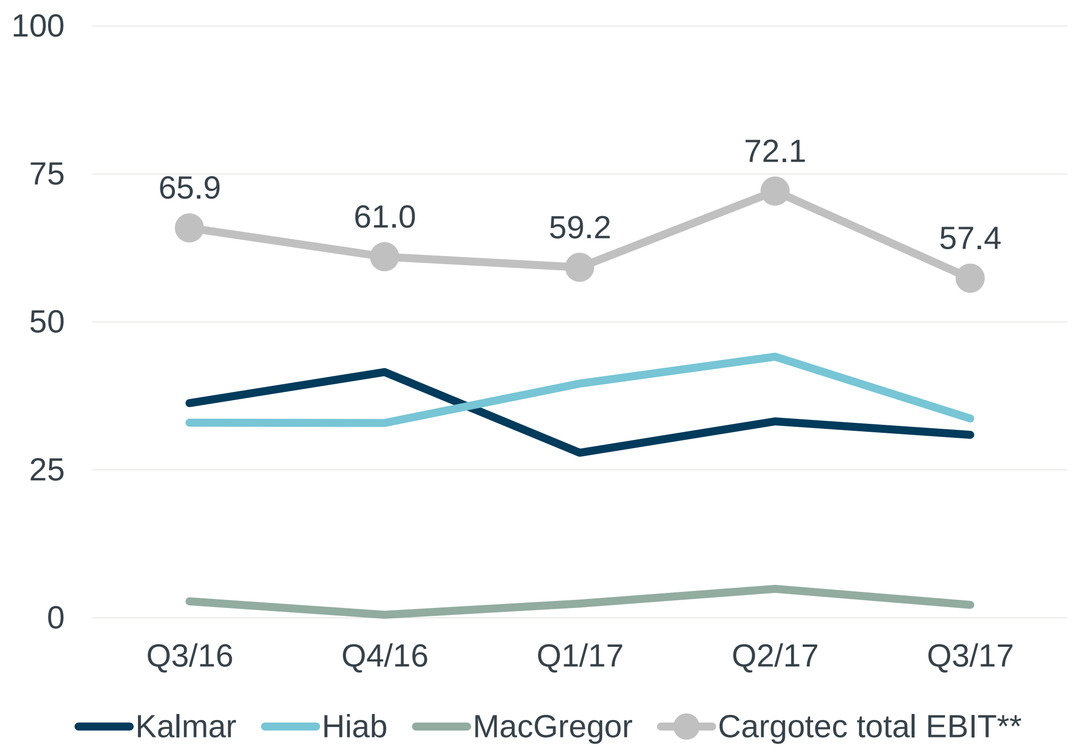


Operating profit* declined due to delivery volumes

Sales
MEUR



Operating profit*
MEUR



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

Kalmar Q3 – Good development in service sales

Orders received increased in Americas

– Good development in mobile equipment, decrease in automation and software

Sales decreased mainly due to timing of project deliveries as well as supply chain challenges in mobile equipment

Service sales increased 8%

Operating profit* decreased due to lower sales in project business

MEUR	Q3/17	Q3/16	Change
Orders received	**351**	389	-10%
Order book	**887**	922	-4%
Sales	**377**	436	-14%
Operating profit*	**30.9**	36.3	-15%
Operating profit margin*	**8.2%**	8.3%	

*) Excluding restructuring costs

CARGOTEC

Hiab Q3 – Strong increase in orders received

Orders received grew in EMEA and APAC

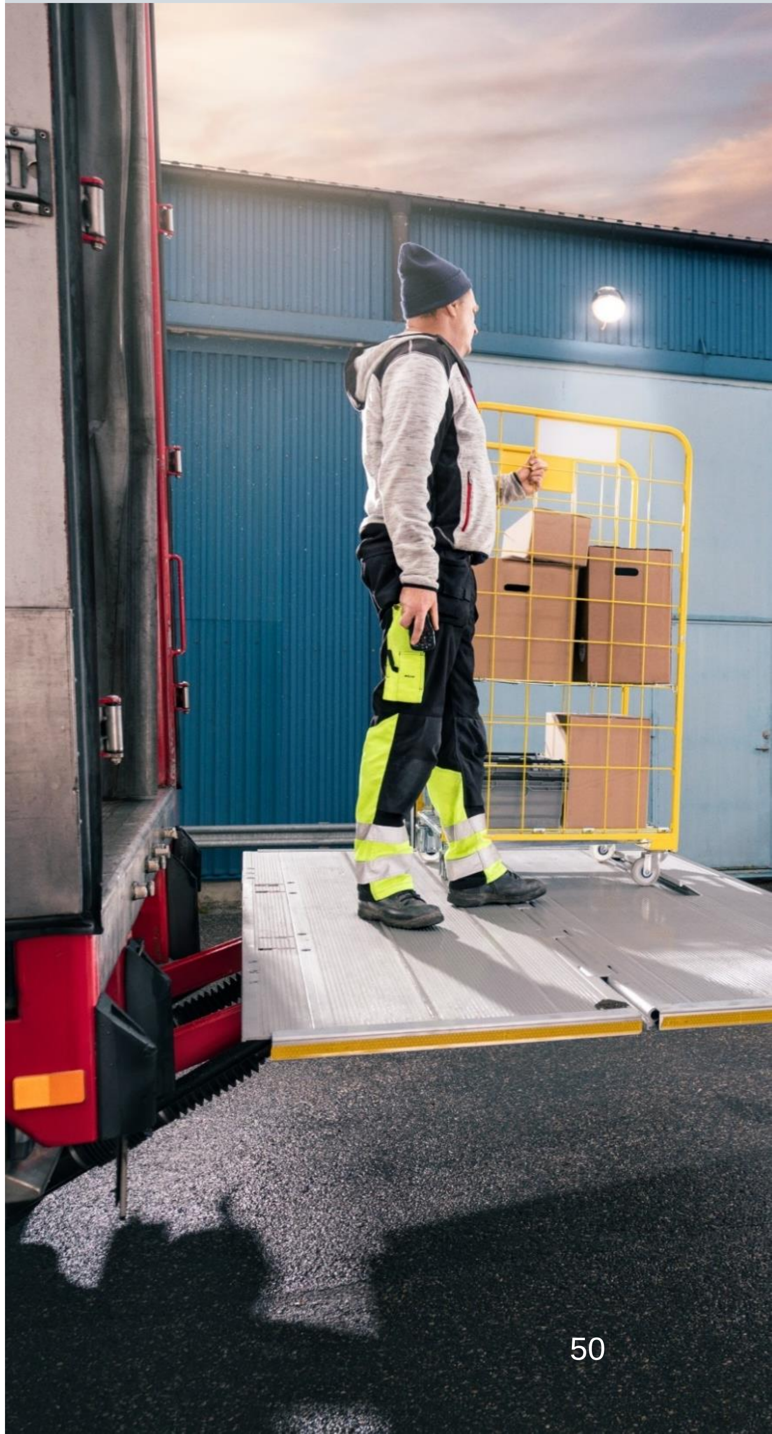
- Growth in EMEA +37%
- Growth in all business lines

Sales and operating profit at last year's level

- Sales impacted negatively by supply chain bottlenecks

Service sales grew 2%

MEUR	Q3/17	Q3/16	Change
Orders received	**260**	220	+18%
Order book	**293**	258	+14%
Sales	**252**	250	+1%
Operating profit*	**33.7**	33.0	+2%
Operating profit margin*	**13.4%**	13.2%	



*) Excluding restructuring costs

MacGregor Q3 – Orders received increased

Orders received increased in EMEA and Americas

- Strong increase especially in cargo handling

Sales declined both in merchant and offshore due to low delivery volumes

Operating profit* decreased due to lower business volumes

MEUR	Q3/17	Q3/16	Change
Orders received	**139**	124	+12%
Order book	**519**	696	-25%
Sales	**112**	169	-34%
Operating profit*	**2.2**	2.8	-23%
Operating profit margin*	**2.0%**	1.7%	

*) Excluding restructuring costs

Gearing below target level

Net debt EUR 535 million (31 Dec 2016: 503)

- Average interest rate 2.2% (2.3%)
- Net debt/EBITDA 2.0 (1.8)

Total shareholders' equity EUR 1,420 million (1,395)

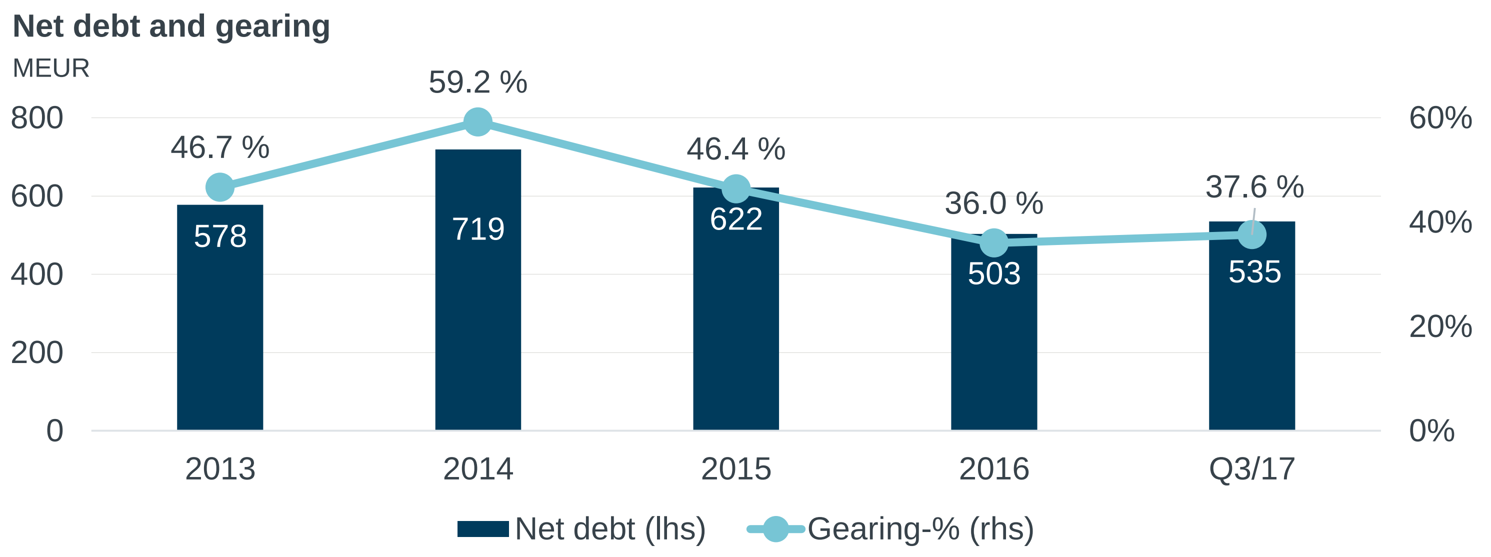
- Equity/total assets 42.3% (39.1%)

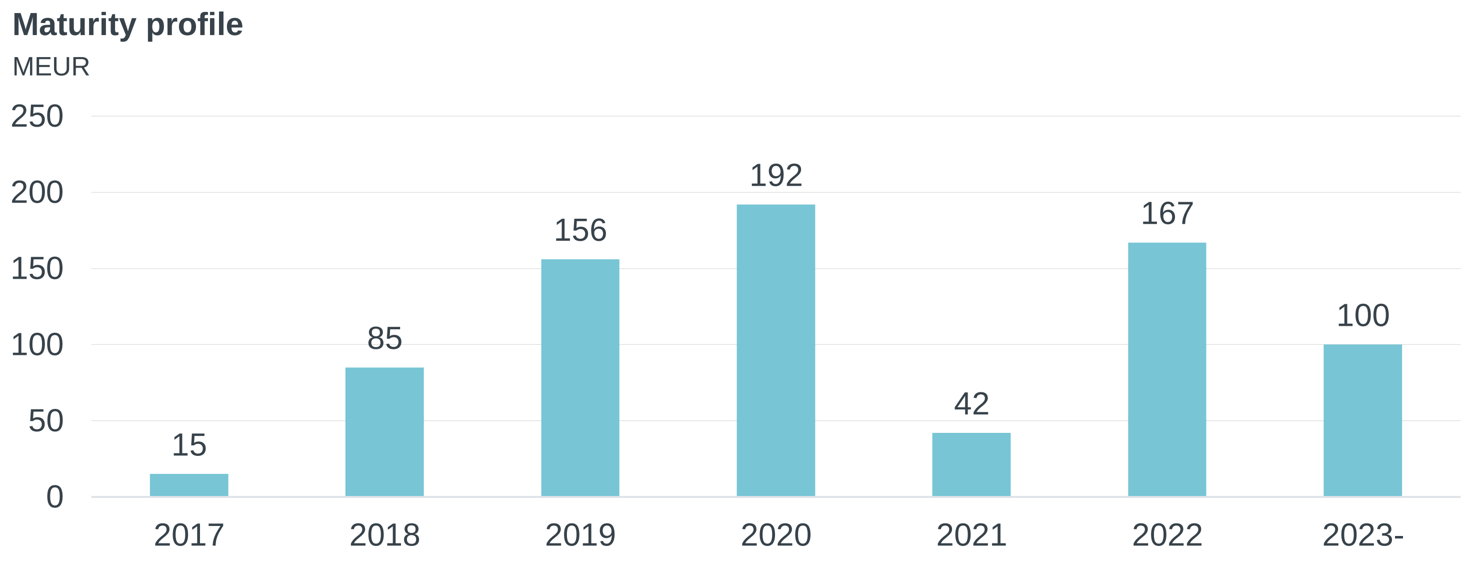
Well diversified loan portfolio:

- Bonds EUR 464 million
- Bank loans EUR 293 million
- EUR 300 million revolving credit facility refinanced in Q2/17, the facility is fully undrawn

Balanced maturity profile

- EUR 15 million loans maturing in 2017

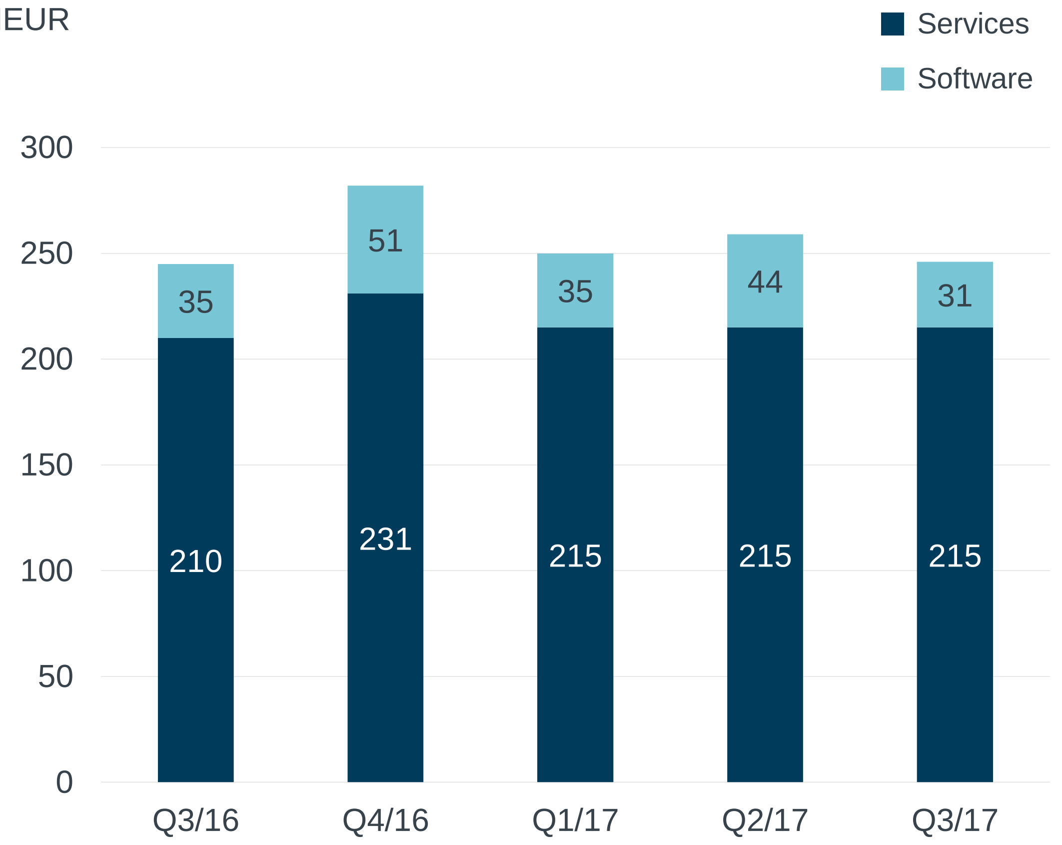




Service and software 33% of total sales

Services and software* sales

MEUR



*Software sales defined as Navis business unit and automation software

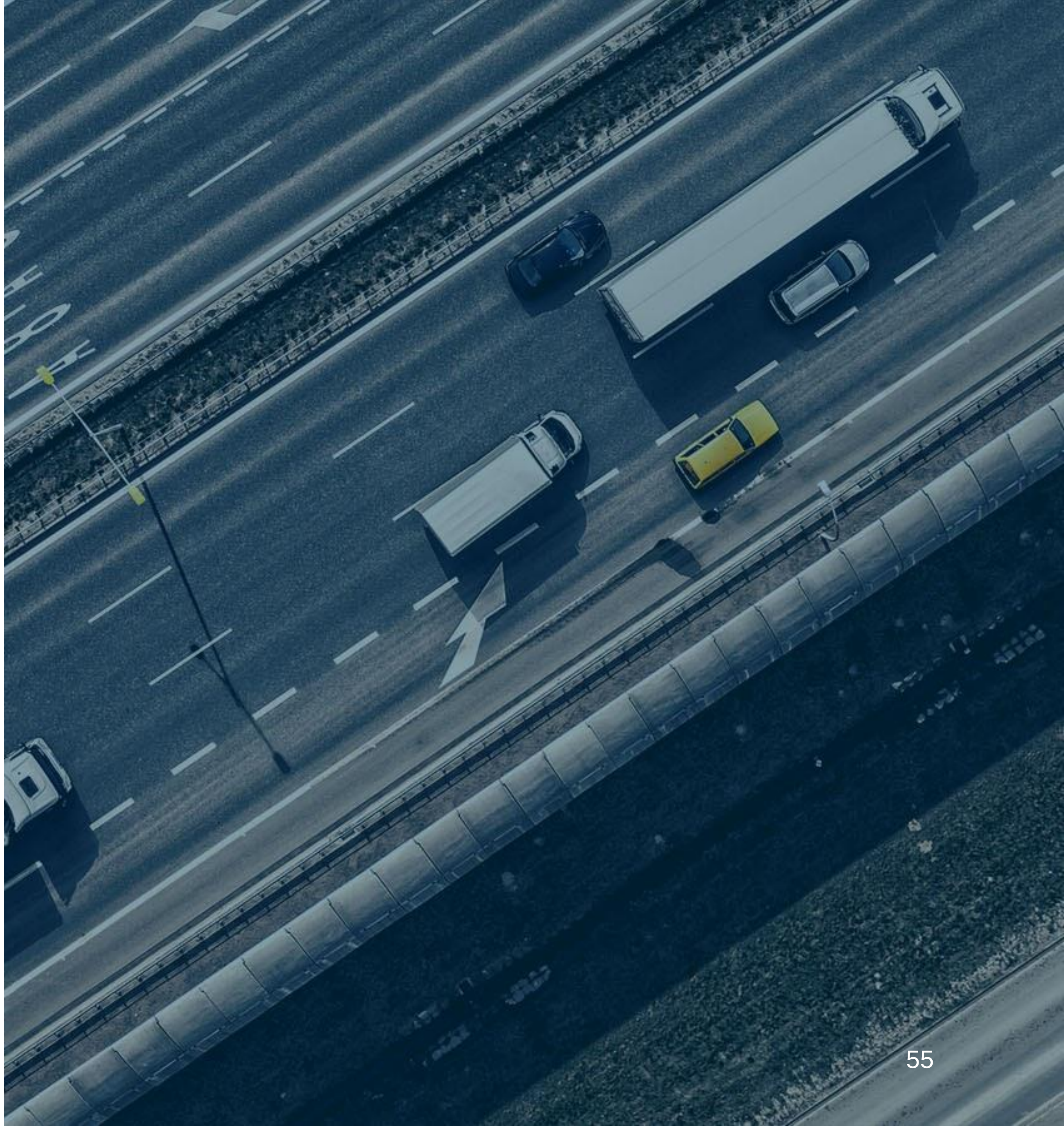
- Service sales increased 2% y-o-y
  - Strong 8% growth in Kalmar
- Software sales decreased in Q3/17
  - 1-9/17 growth +14%
- Services and software sales 33% (29%) of total sales in Q3/17

2017 outlook – as given 8 February 2017

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

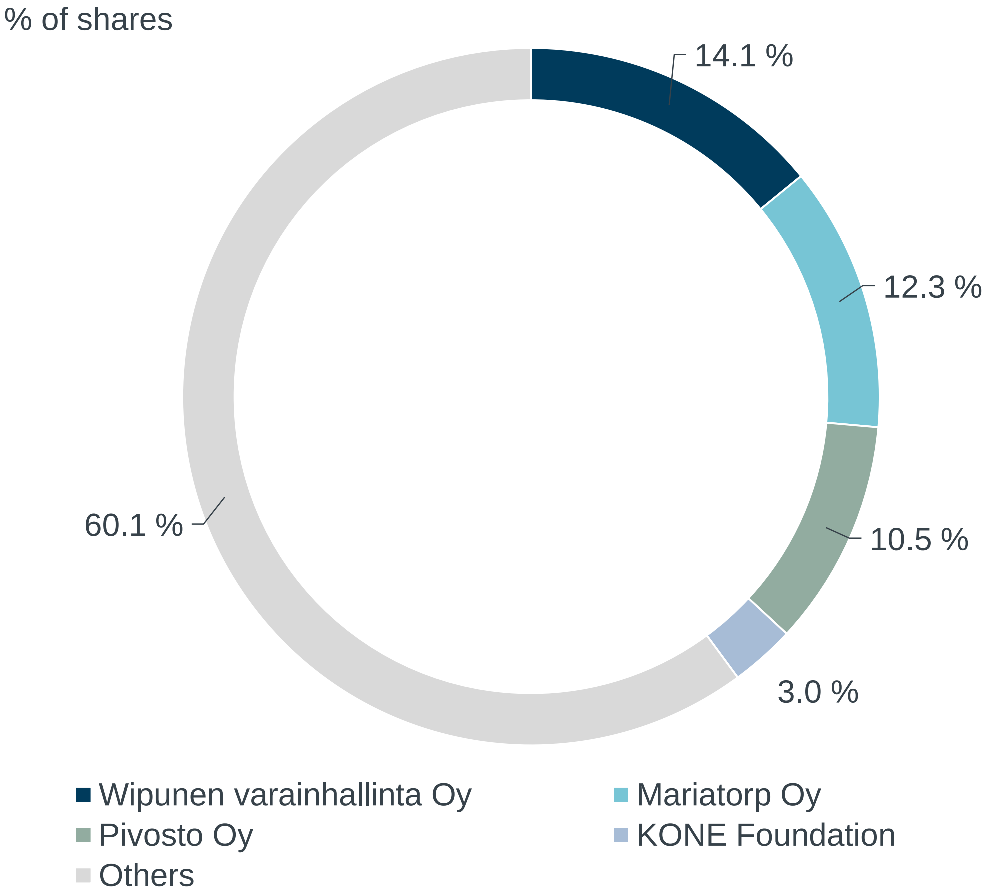
Appendix

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



Largest shareholders 30 November 2017

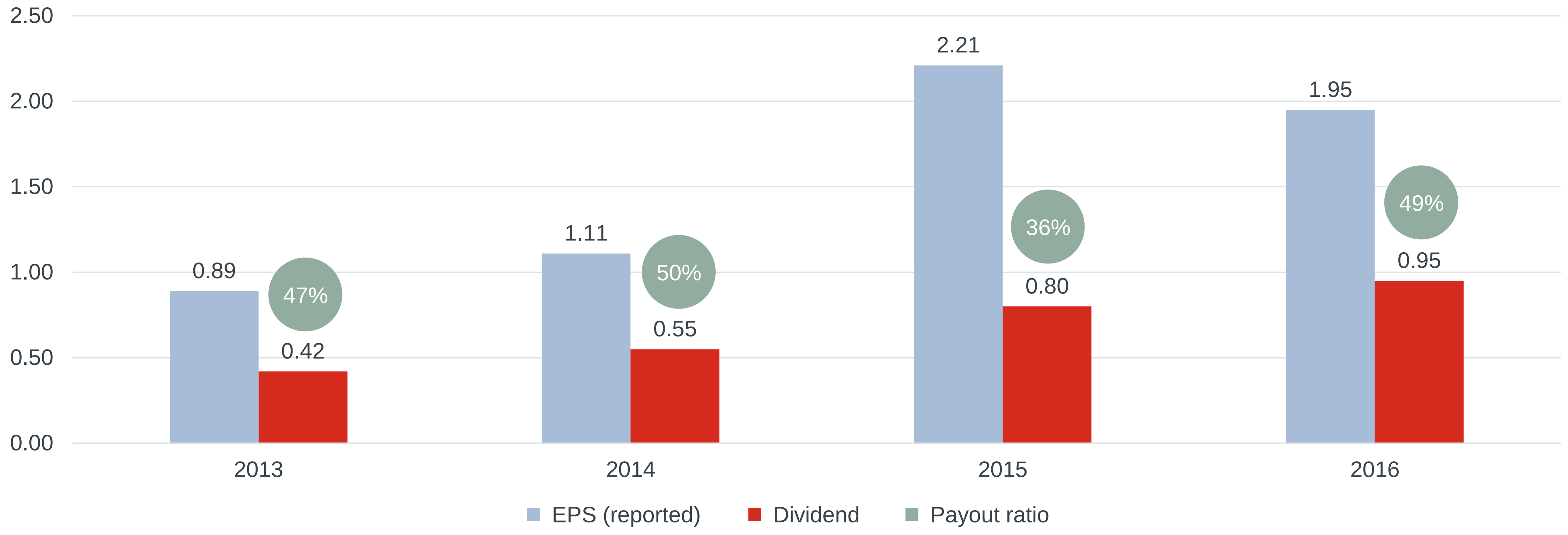
		% of shares	% of votes
1.	Wipunen varainhallinta Oy	14.1	23.7
2.	Mariatorp Oy	12.3	22.9
3.	Pivosto Oy	10.5	22.1
4.	KONE Foundation	3.0	5.5
5.	The State Pension Fund	1.3	0.6
6.	Ilmarinen Mutual Pension Insurance Company	1.2	0.5
7.	Varma Mutual Pension Insurance Company	0.8	0.3
8.	SEB Gyllenberg Finlandia 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		**31.1**	
Total number of shareholders		**21,554**	



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

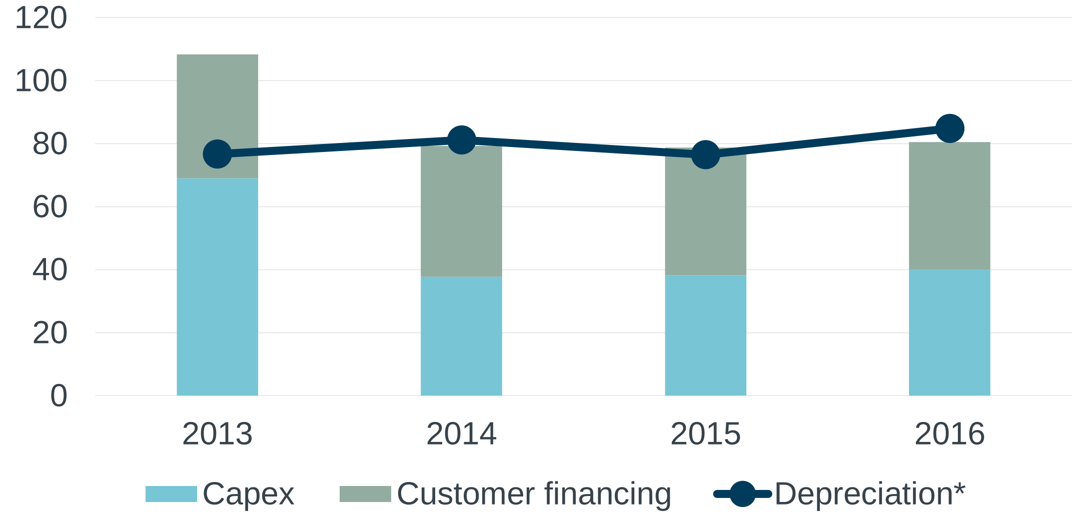
Solid track record to increase the dividend

EUR 0.95 dividend per B share for 2016

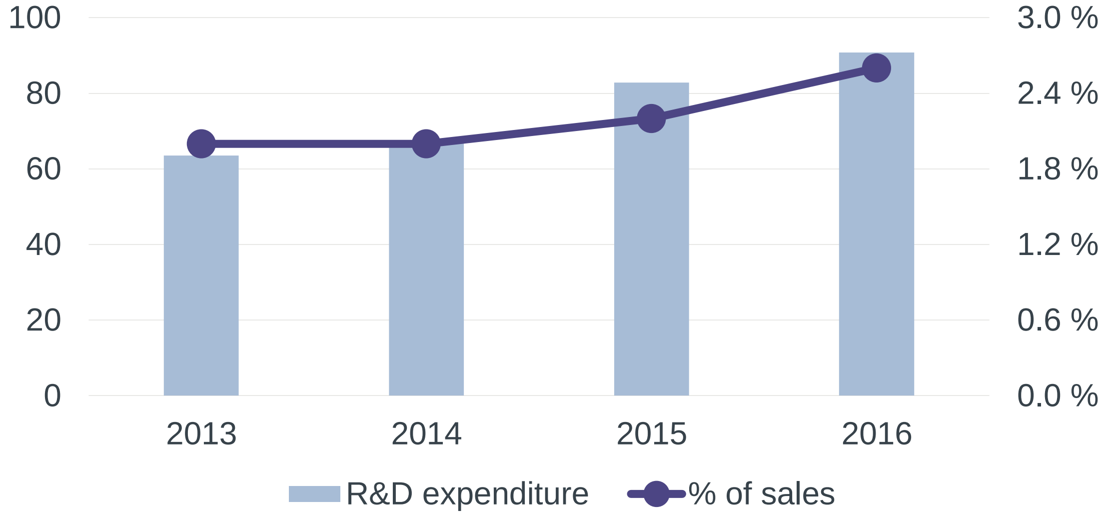


Capex and R&D

Capital expenditure



Research and development



Main capex investments:

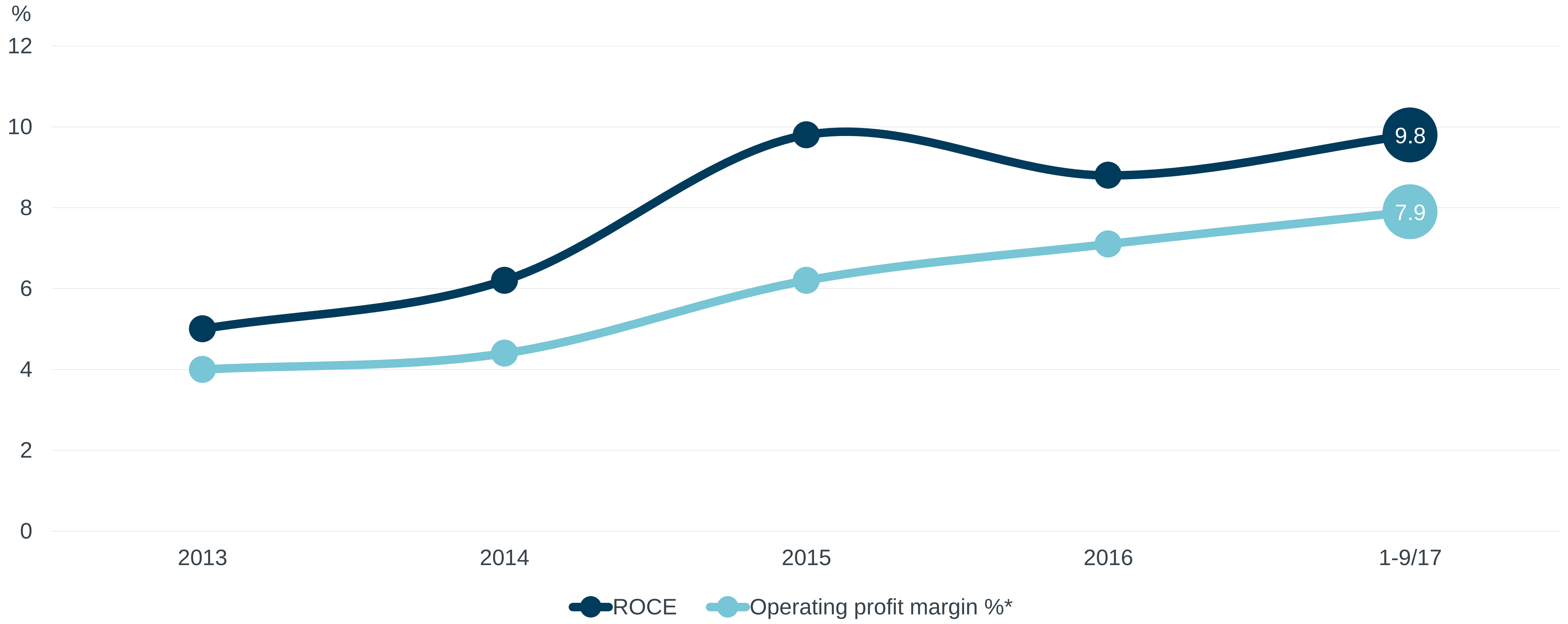
- Kalmar assembly unit in Stargard, Poland
- Manufacturing plant expansion in Kansas, US for Kalmar

R&D investments focused on

- Digitalisation
- Competitiveness and cost efficiency of products

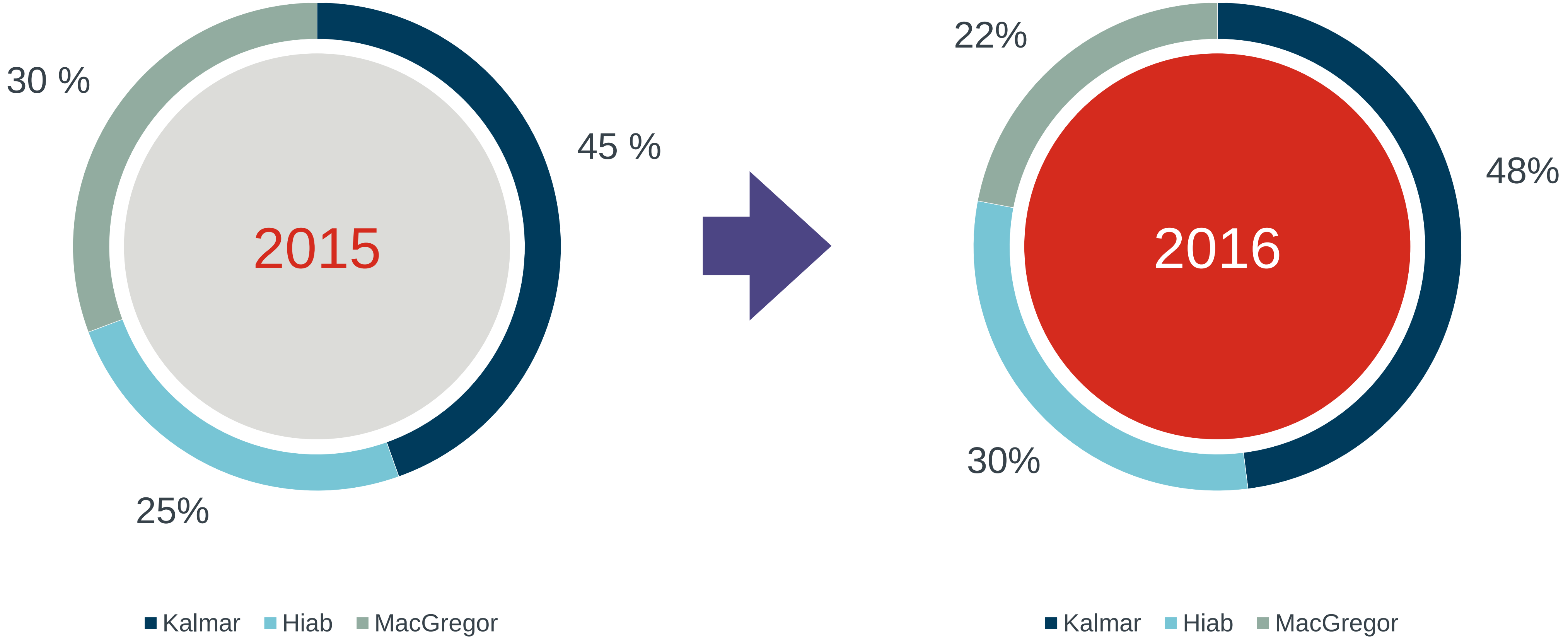
*) Including amortisations and impairments

Operating profit* margin and ROCE improved

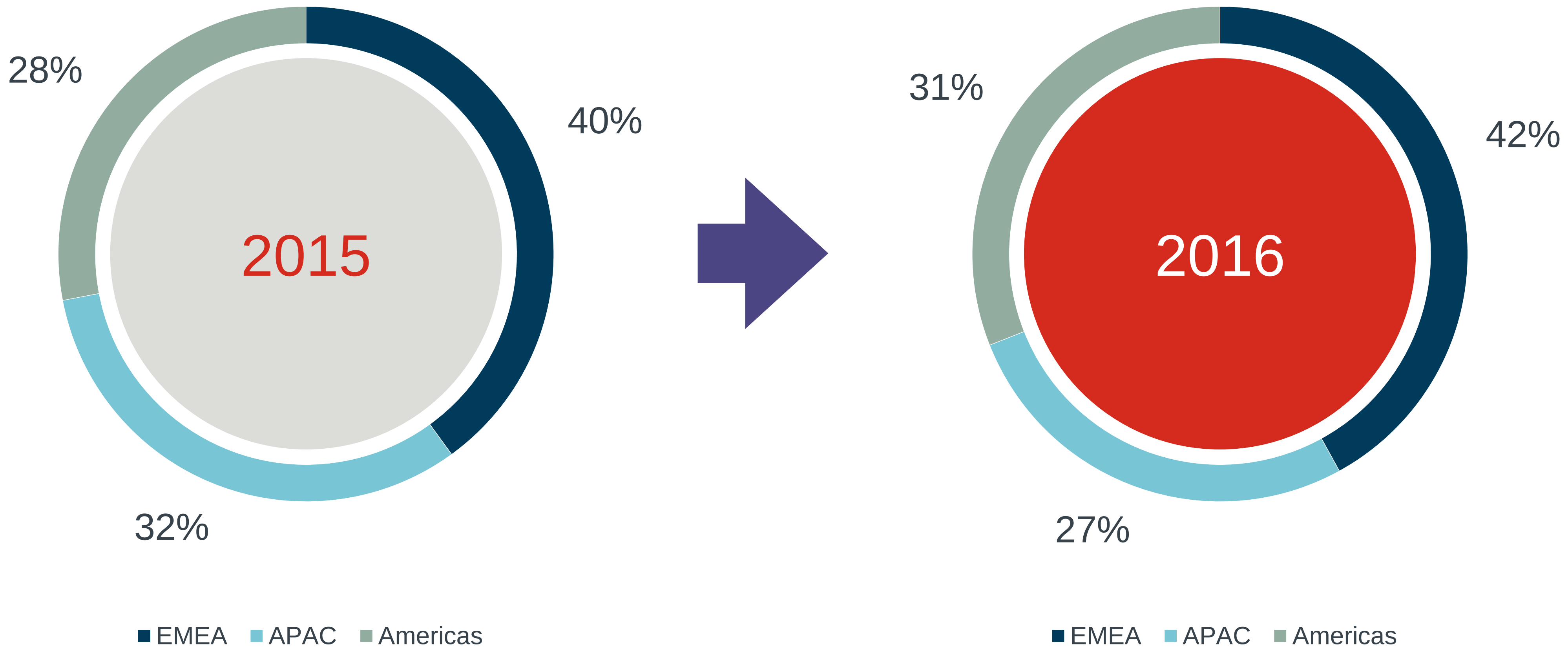


ROCE, annualised *) Excluding restructuring costs

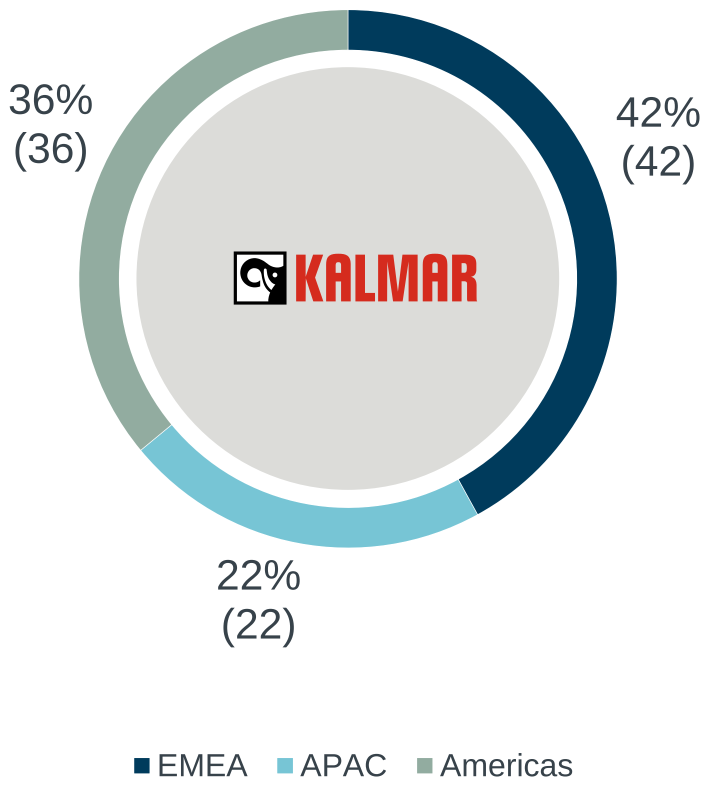
Hiab’s share increasing in sales mix

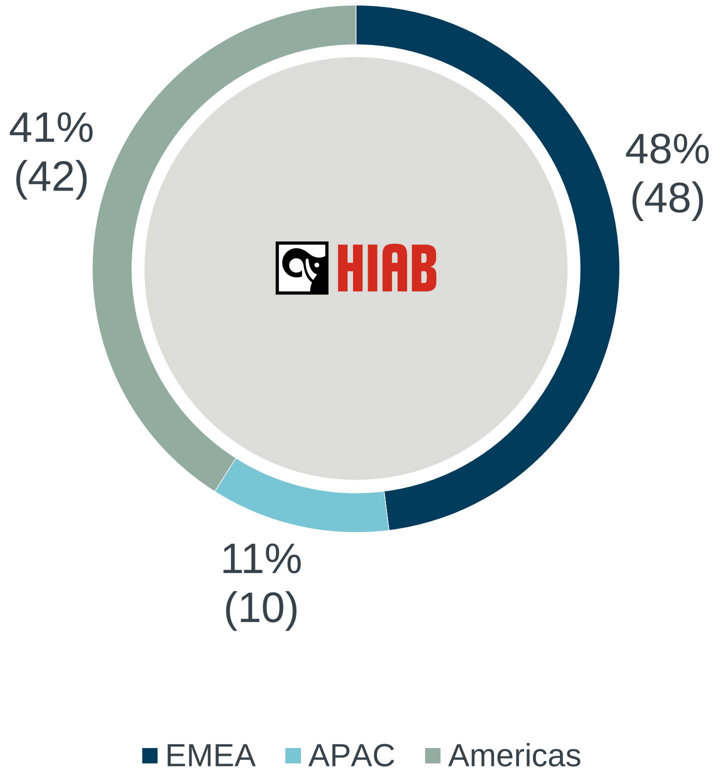


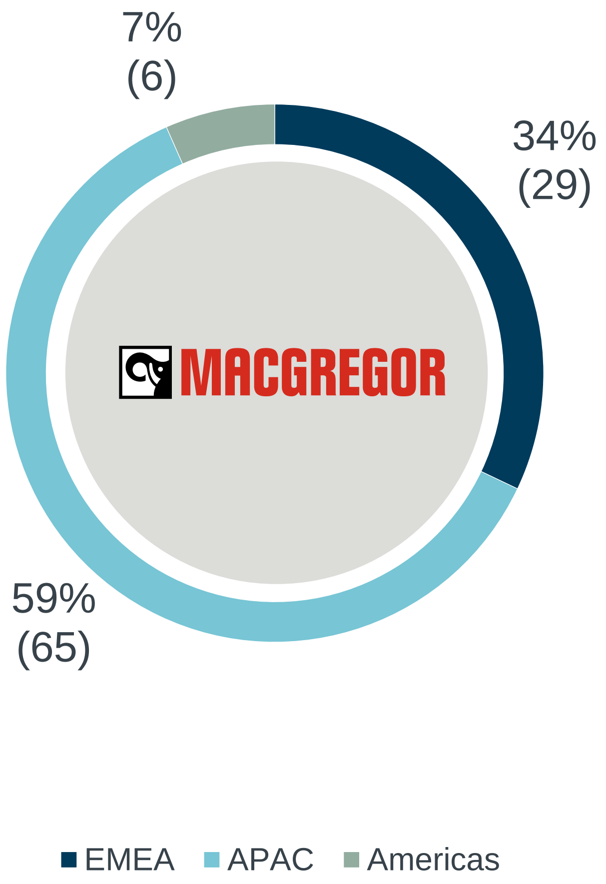
Well diversified geographical sales mix



Sales by geographical segment by business area 2016







Cargotec's R&D and assembly sites

EMEA

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

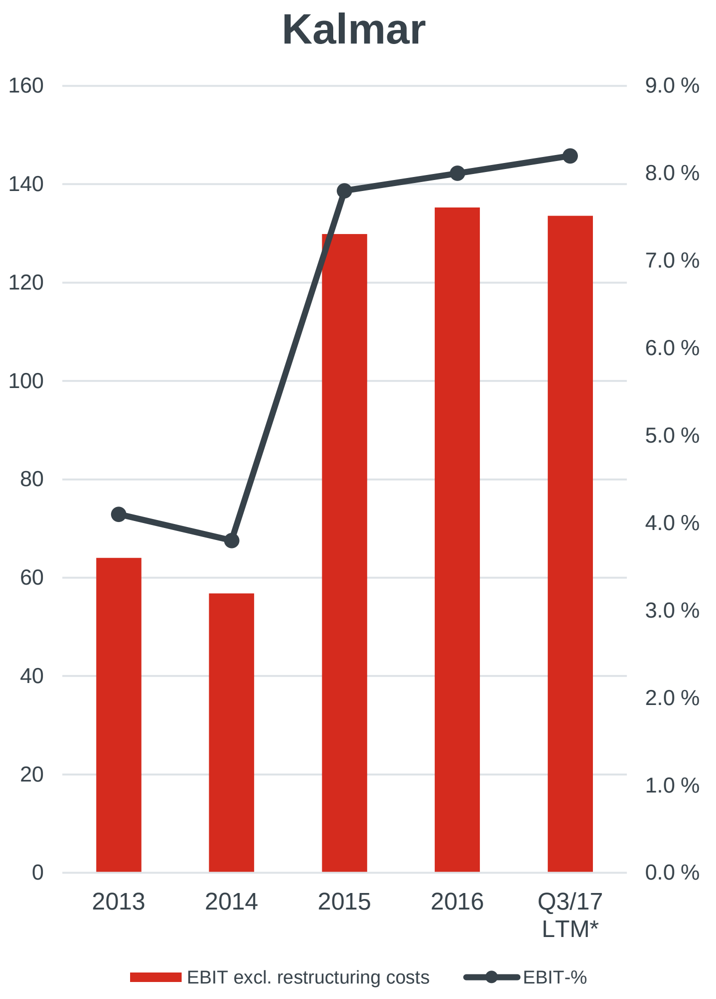
APAC

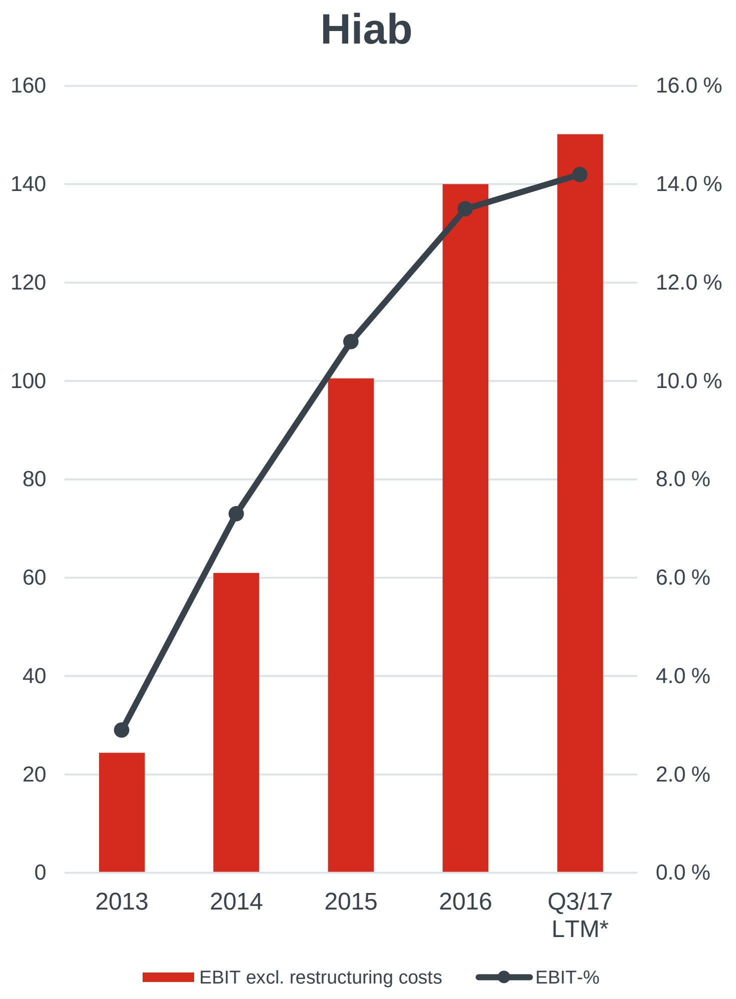
- Chungbuk, South Korea (Hiab prod.)
- Tianjin, China (MacGregor prod.)
- Bangalore, India (Kalmar prod. + R&D)
- Chennai, India (Navis–Kalmar R&D)
- Ipoh, Malaysia (Bromma prod.)
- Shanghai, China (Kalmar prod. + WH)
- Busan, South Korea (MacGregor prod.)
- Singapore, (R&D)

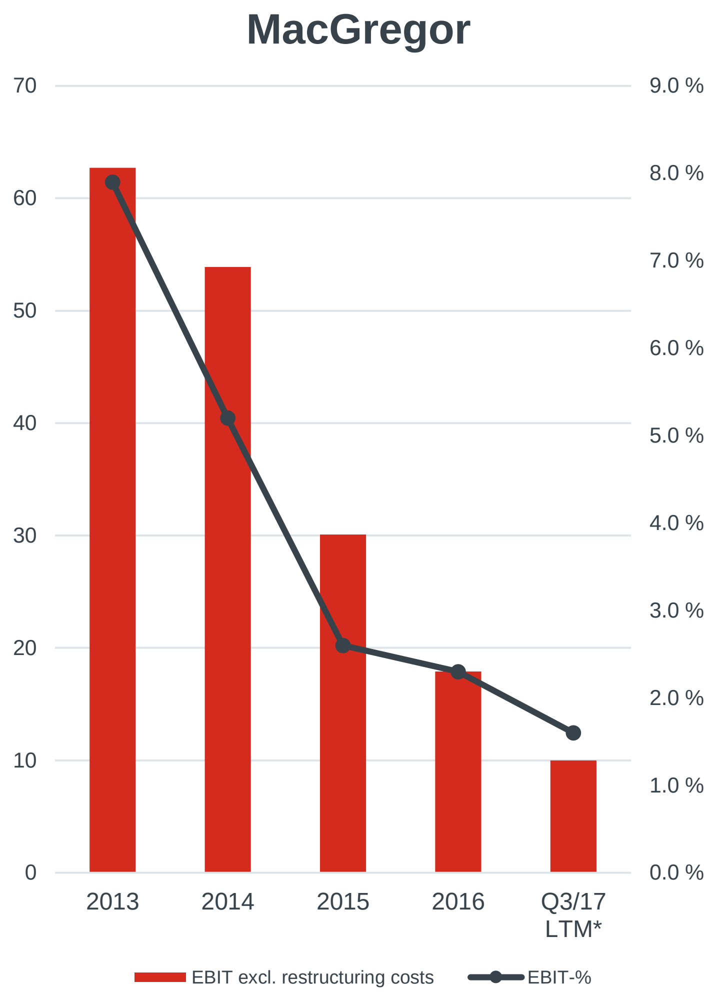
Americas

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

Operating profit excl. restructuring costs development



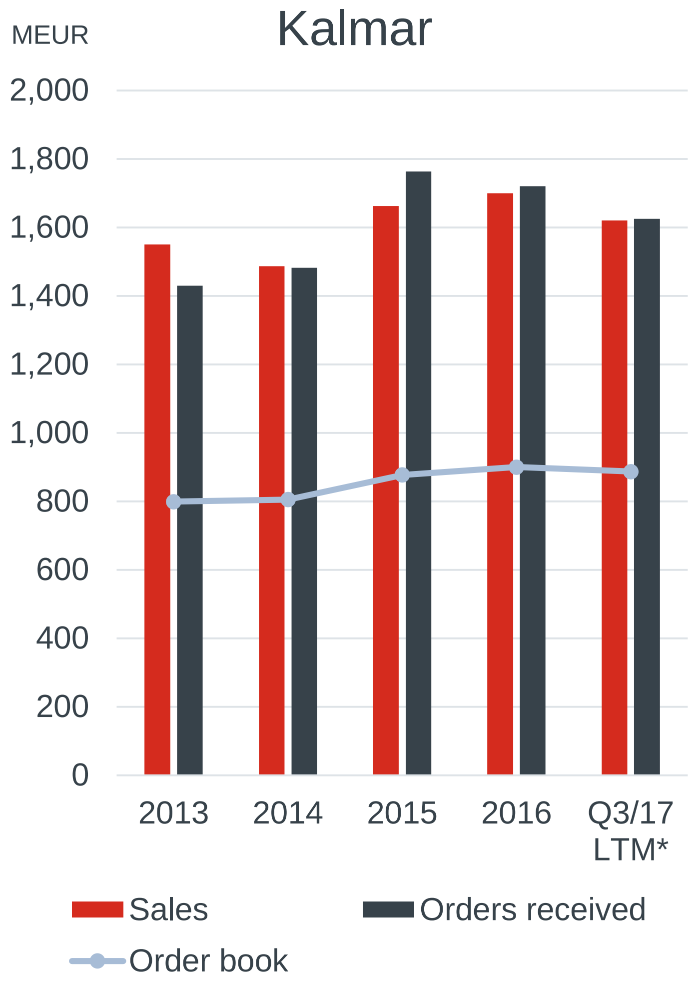


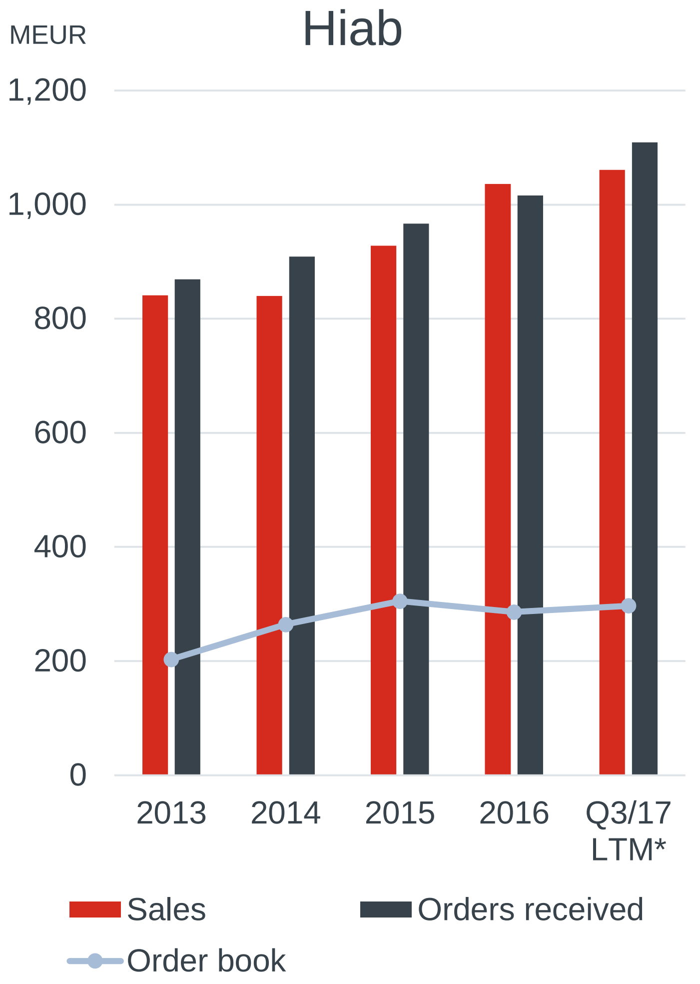


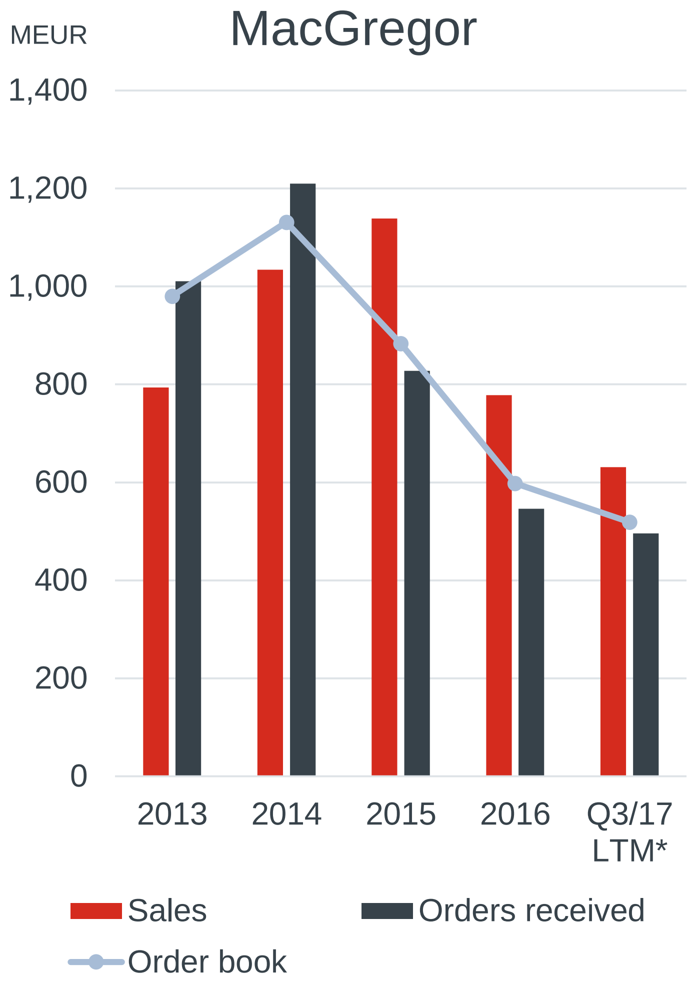
CARGOTEC

*LTM = Last 12 months (Q4/16-Q3/17)

Sales and orders received development

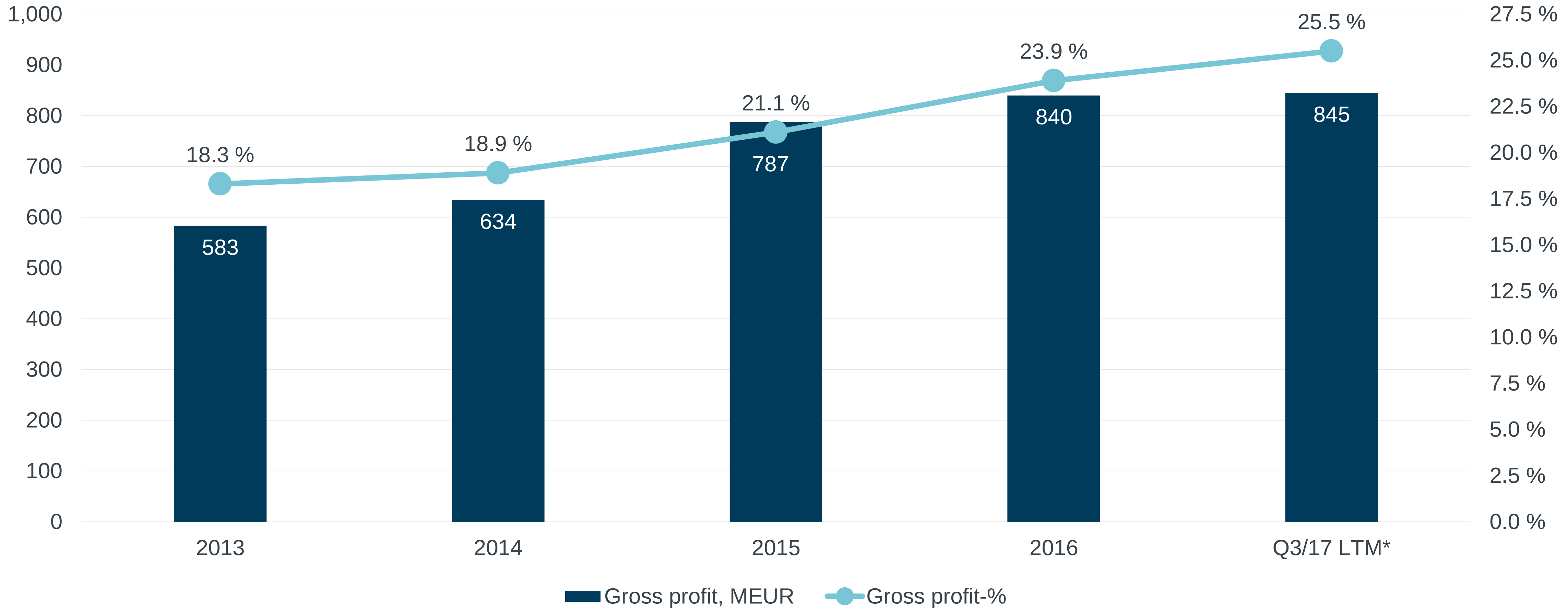






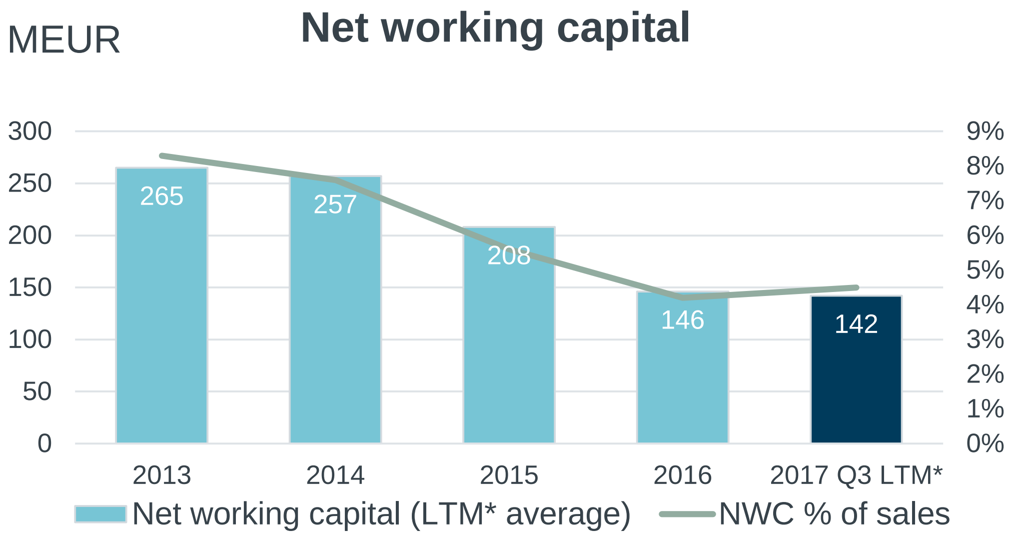
*LTM = Last 12 months (Q4/16-Q3/17)

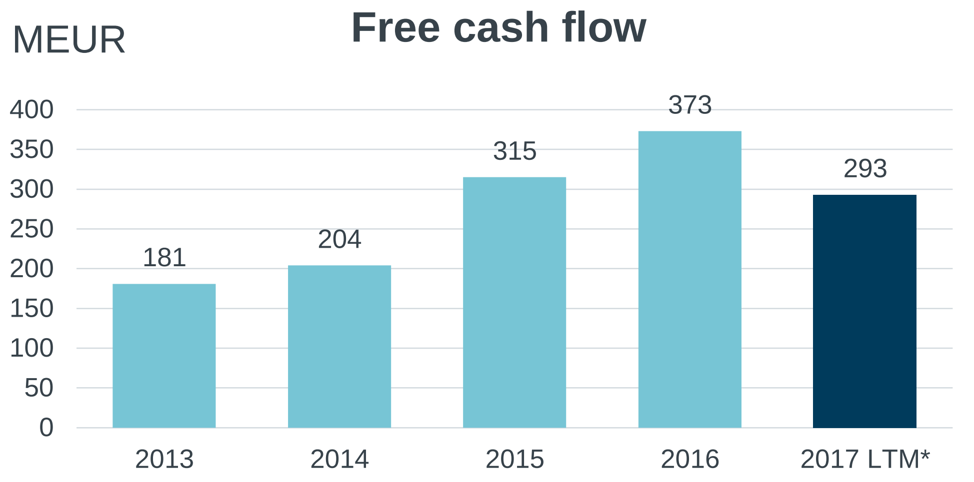
Gross profit improvement driven by new products



*LTM = Last 12 months (Q4/16-Q3/17)

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 (Q4/16-Q3/17)

Income statement Q3 2017

MEUR	7–9/2017	7–9/2016	1–9/2017	1–9/2016	1–12/2016
Sales	**740.0**	**854.2**	**2,378.1**	**2,580.8**	**3,513.7**
Cost of goods sold	-544.5	-656.7	-1,755.2	-1,963.1	-2,674.0
Gross profit	**195.5**	**197.5**	**622.9**	**617.7**	**839.7**
Gross profit, %	*26.4%*	*23.1%*	*26.2%*	*23.9%*	*23.9%*
Other operating income	8.4	10.3	27.6	28.8	38.1
Selling and marketing expenses	-51.9	-52.5	-165.3	-163.5	-221.1
Research and development expenses	-21.6	-21.5	-70.7	-67.5	-94.1
Administration expenses	-64.2	-66.1	-200.1	-202.2	-277.0
Restructuring costs	-4.7	-9.7	-19.2	-12.8	-52.5
Other operating expenses	-9.0	-6.4	-26.9	-26.9	-37.8
Costs and expenses	-142.9	-145.9	-454.7	-444.0	-644.4
Share of associated companies' and joint ventures' net income	0.2	4.6	1.2	2.8	2.5
Operating profit	**52.7**	**56.2**	**169.4**	**176.4**	**197.7**
Operating profit, %	*7.1%*	*6.6%*	*7.1%*	*6.8%*	*5.6%*
Financing income and expenses	-7.9	-9.6	-25.2	-21.5	-28.6
Income before taxes	**44.8**	**46.6**	**144.2**	**154.9**	**169.1**
Income before taxes, %	*6.1%*	*5.5%*	*6.1%*	*6.0%*	*4.8%*
Income taxes	-12.2	-13.1	-37.5	-41.9	-43.8
Net income for the period	**32.6**	**33.5**	**106.6**	**113.0**	**125.3**
Net income for the period, %	*4.4%*	*3.9%*	*4.5%*	*4.4%*	*3.6%*
Net income for the period attributable to:					
Equity holders of the parent	32.7	33.6	107.0	113.3	126.0
Non-controlling interest	-0.1	-0.1	-0.3	-0.2	-0.7
Total	**32.6**	**33.5**	**106.6**	**113.0**	**125.3**
Earnings per share for profit attributable to the equity holders of the parent:					
Basic earnings per share, EUR	0.51	0.52	1.66	1.75	1.95
Diluted earnings per share, EUR	0.50	0.52	1.65	1.75	1.94

Balance sheet Q3 2017

ASSETS, MEUR	30 Sep 2017	30 Sep 2016	31 Dec 2016
Non-current assets			
Goodwill	994.9	1,016.1	1,024.5
Other intangible assets	262.8	291.2	290.2
Property, plant and equipment	291.8	307.1	308.6
Investments in associated companies and joint ventures	113.8	118.0	123.4
Available-for-sale investments	3.8	3.8	3.8
Loans receivable and other interest-bearing assets*	4.5	2.2	3.0
Deferred tax assets	184.4	169.1	185.0
Derivative assets	7.5	12.9	16.9
Other non-interest-bearing assets	7.0	8.9	7.9
Total non-current assets	**1,870.5**	**1,929.5**	**1,963.4**
Current assets			
Inventories	659.8	698.6	647.0
Loans receivable and other interest-bearing assets*	2.6	1.7	1.9
Income tax receivables	47.1	19.4	26.1
Derivative assets	15.1	33.8	45.8
Accounts receivable and other non-interest-bearing assets	673.6	785.6	778.9
Cash and cash equivalents*	232.5	199.6	273.2
Total current assets	**1,630.7**	**1,738.8**	**1,773.0**
Total assets	**3,501.1**	**3,668.3**	**3,736.3**

EQUITY AND LIABILITIES, MEUR	30 Sep 2017	30 Sep 2016	31 Dec 2016
Equity attributable to the equity holders of the parent			
Share capital	64.3	64.3	64.3
Share premium account	98.0	98.0	98.0
Translation differences	-12.9	26.3	37.3
Fair value reserves	4.4	-12.4	-24.7
Reserve for invested non-restricted equity	69.0	76.6	69.0
Retained earnings	1,196.9	1,141.7	1,151.1
Total equity attributable to the equity holders of the parent	**1,419.6**	**1,394.5**	**1,395.0**
Non-controlling interest	2.3	1.6	2.2
Total equity	**1,421.9**	**1,396.1**	**1,397.2**
Non-current liabilities			
Interest-bearing liabilities*	730.3	656.7	656.8
Deferred tax liabilities	75.3	71.9	73.1
Pension obligations	83.0	74.1	81.4
Provisions	19.3	33.7	37.6
Other non-interest-bearing liabilities	59.4	53.3	49.4
Total non-current liabilities	**967.2**	**889.8**	**898.2**
Current liabilities			
Current portion of interest-bearing liabilities*	17.6	117.2	119.4
Other interest-bearing liabilities*	35.0	39.8	45.8
Provisions	103.4	80.9	112.8
Advances received	138.8	175.1	160.6
Income tax payables	17.0	31.2	32.0
Derivative liabilities	5.6	20.4	34.1
Accounts payable and other non-interest-bearing liabilities	794.6	917.7	936.2
Total current liabilities	**1,112.0**	**1,382.4**	**1,440.8**
Total equity and liabilities	**3,501.1**	**3,668.3**	**3,736.3**

*Included in interest-bearing net debt.

The notes are an integral part of the interim report.

Cash flow statement Q3 2017

MEUR	1–9/2017	1–9/2016	1–12/2016
Net income for the period	106.6	113.0	125.3
Depreciation, amortisation and impairment	52.7	58.0	84.8
Other adjustments	65.3	58.5	72.5
Change in net working capital	-83.5	-8.5	90.5
Cash flow from operations before financing items and taxes	**141.1**	**221.0**	**373.0**
Cash flow from financing items and taxes	-67.9	-22.5	-59.5
Net cash flow from operating activities	**73.3**	**198.5**	**313.5**
Acquisitions, net of cash acquired	-1.3	-67.1	-66.8
Disposals of businesses, net of cash sold	-1.2	-	-
Investments in associated companies and joint ventures	-4.7	-2.7	-2.7
Cash flow from investing activities, other items	-44.5	-34.9	-61.9
Net cash flow from investing activities	**-51.8**	**-104.7**	**-131.5**
Proceeds from share subscriptions	-	0.5	0.5
Treasury shares acquired	-	-	-7.6
Acquisition of non-controlling interests	-0.4	-	-
Proceeds from long-term borrowings	250.0	-	-
Repayments of long-term borrowings	-241.4	-3.0	-3.2
Proceeds from short-term borrowings	9.4	30.0	38.2
Repayments of short-term borrowings	-33.6	-61.6	-58.9
Profit distribution	-61.6	-52.2	-52.8
Net cash flow from financing activities	**-77.7**	**-86.4**	**-83.9**
Change in cash and cash equivalents	**-56.2**	**7.4**	**98.1**
Cash, cash equivalents and bank overdrafts at the beginning of period	260.8	164.9	164.9
Effect of exchange rate changes	9.4	0.6	-2.2
Cash, cash equivalents and bank overdrafts at the end of period	**214.0**	**172.9**	**260.8**
Bank overdrafts at the end of period	18.4	26.7	12.4
Cash and cash equivalents at the end of period	**232.5**	**199.6**	**273.2**

Sustainability

Sustainability is a great business opportunity

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

- Inefficient industry with potential to improve

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

- Increasing efficiency and life-time solutions

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

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

CARGOTEC

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

Compared to transportation of goods

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

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

- Visibility to identify inefficient use of resources and fuel
- Software and design system

Efficiency for environmental industries

- Offering to support the operations in environmental industries
- Cargotec solutions for environmental industries

Emission efficiency

- Technology to enable fuel and emission efficient offering
- Products with features to decrease fuel usage and avoidance of maritime hydraulic oil emissions

Resources efficiency

- Service enabling the extended usage of products or new applications
- Product conversions and modernizations

Cargotec will set the industry standard for sustainability

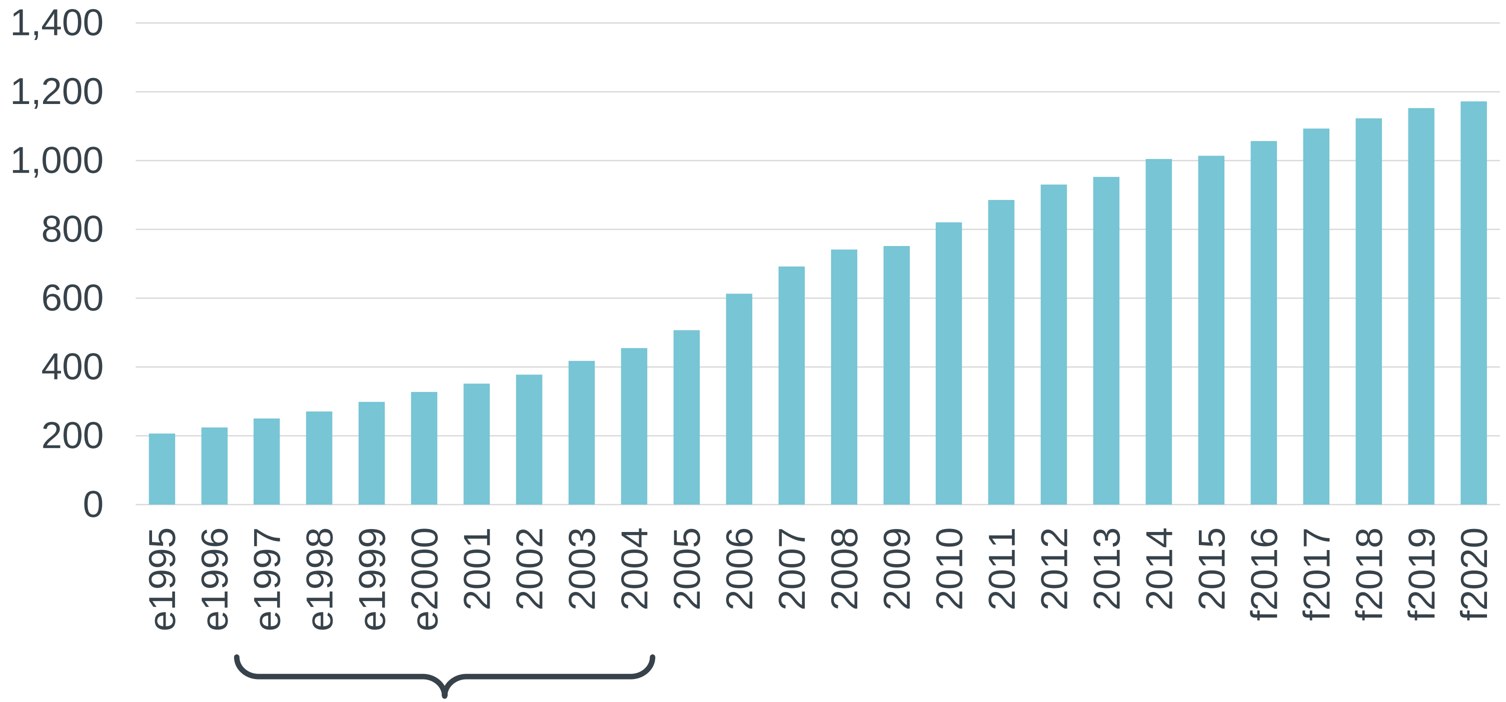
- Cargotec is a supporter of UN Global Compact and other major international sustainability initiatives
- We set the industrial standard in compliant and transparent operations
- We have a clear governance on sustainability issues with Board overview on the subject
- Safety is our key priority and we 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%**

SUSTAINABLE DEVELOPMENT GOALS IPCC INTERGOVERNMENTAL PANEL ON climate change WORLD ECONOMIC FORUM PARIS2015 COP21·CMP11

Kalmar appendix

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

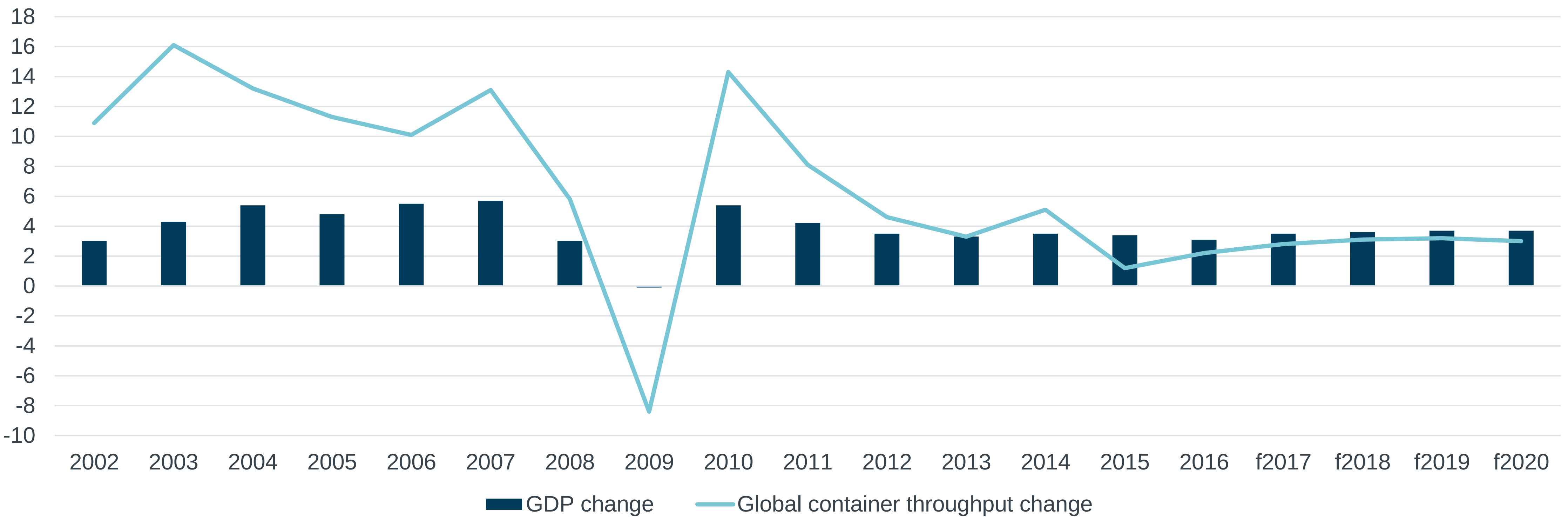
Source: Drewry reports: Global Container Terminal Operators 2001-2016 Note: 1995-2000 capacity is estimation based on the assumption that the utilisation rate has been between 70-72% in that period. 2016-2020 forecast based on Drewry's Global container terminal operators report, published in August 2016

Global container throughput development

Growth stabilising in the short-mid term

Global container throughput and GDP

Change % y/y



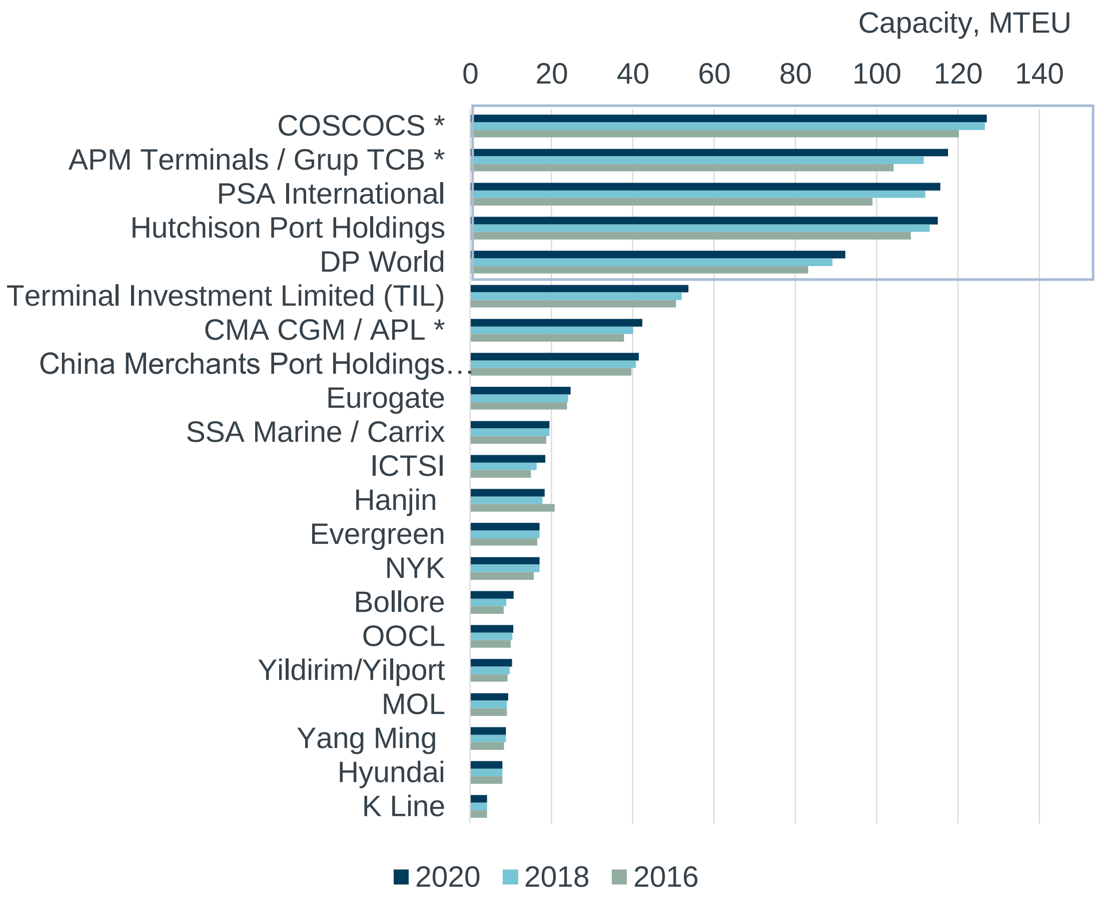
Sources: Drewry Q1 2017
Drewry Q3 2016 (2018-2020)
IMF World Economic Outlook Database, April 2017

Consolidation leading to five dominant container terminal operators in 2020

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

Terminal operators consolidating, recent M&A activity:

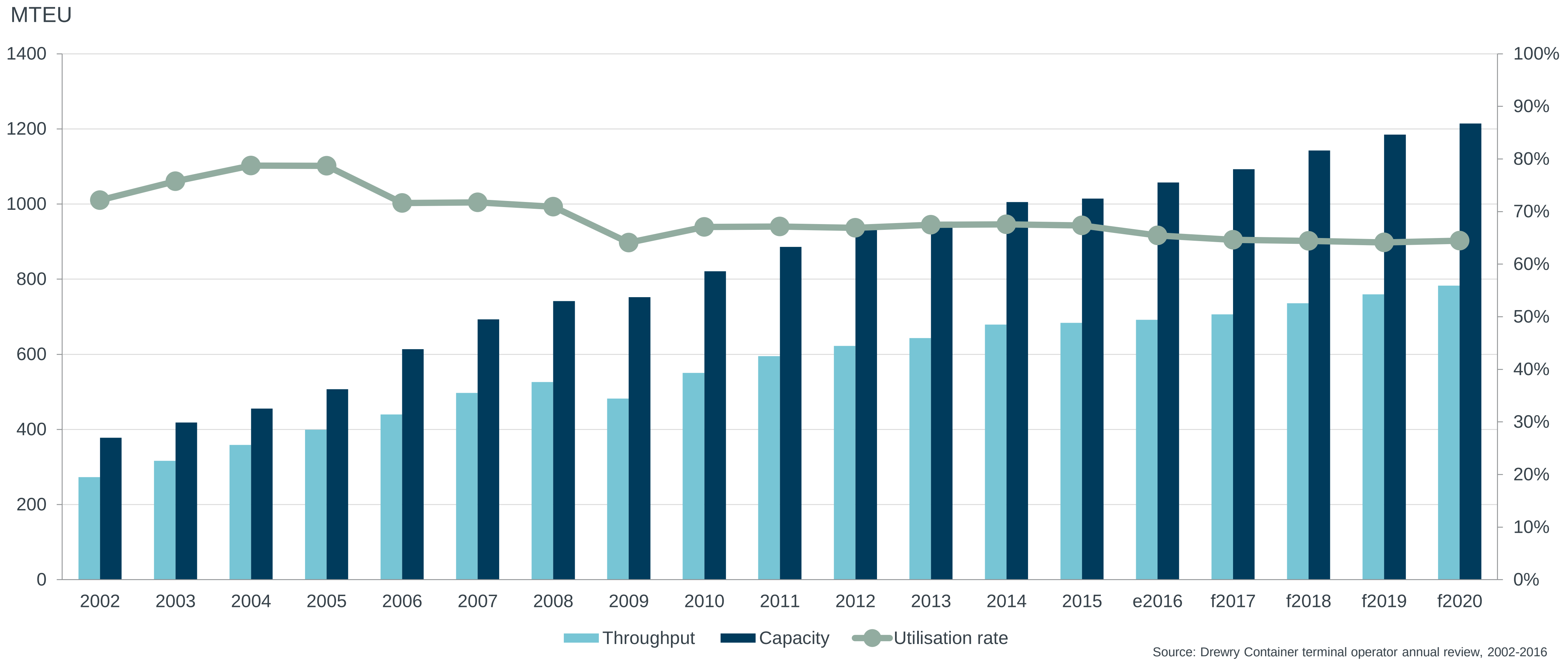
- COSCO and China Shipping merged
- APMT bought Group TCB
- CMA CGM bought APL
- Yildrim bought Portugese Tertir group and the company is also eyeing Ports America



Source: Drewry

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

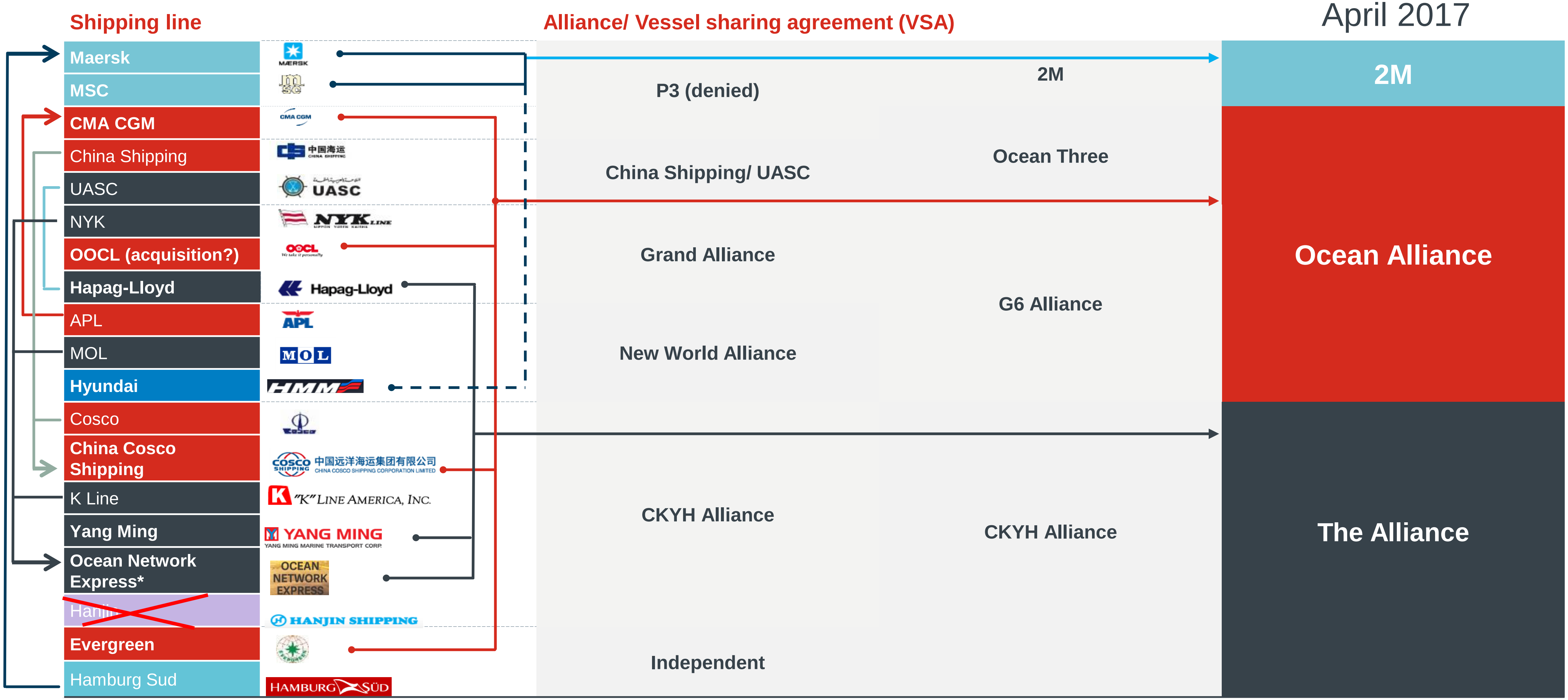
Global container throughput and capacity development



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

Three alliances controlling about 80% of global container fleet capacity

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



Total: 17 (10 after further consolidations)

5

4

3

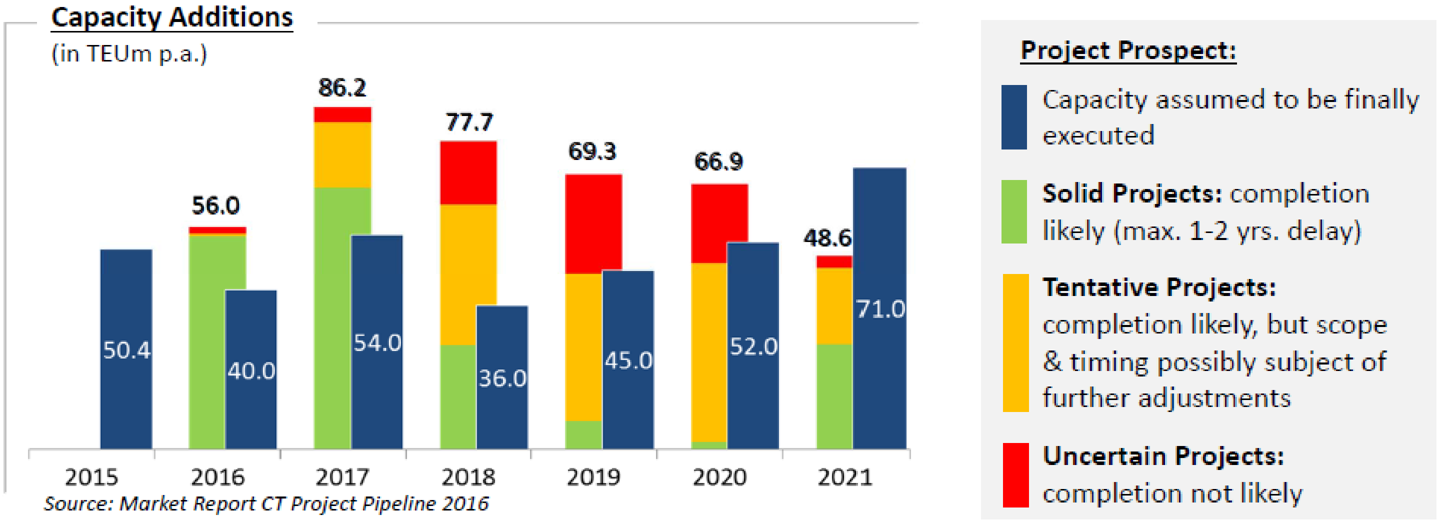
Sources: Drewry, Alphaliner, Cargotec

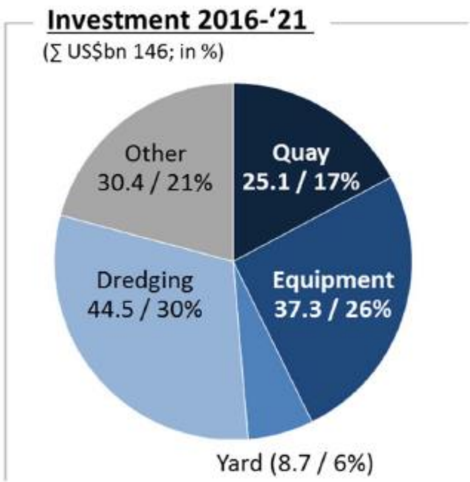
*The arrows indicate changes, confirmed or planned, through M&A or JV over the last 18 months. Hanjin bankrupt. Hyundai isn't currently officially part of any alliance, but formed a cooperative relationship with 2M. Ocean Network Express (ONE) scheduled to launch April 2018,
Analyses excludes Zim, PIL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

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

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

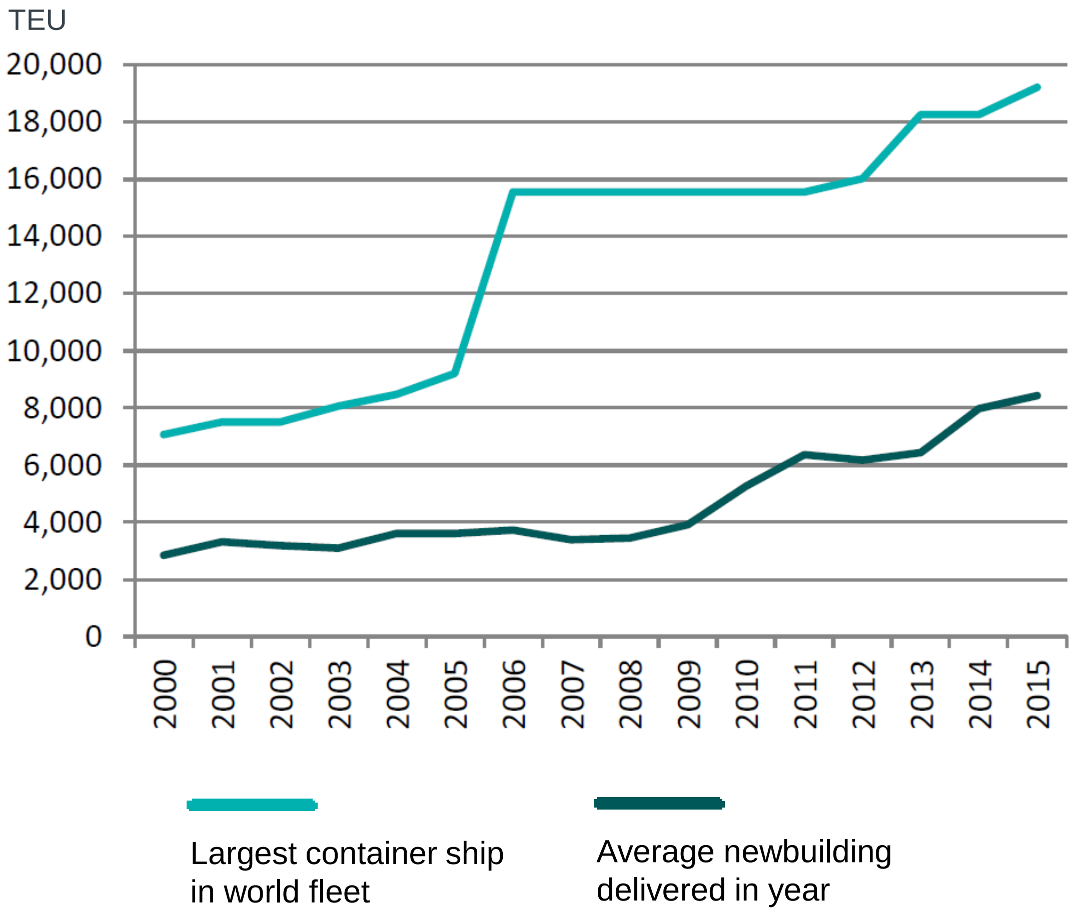
Depending on the type of project, different cost have been assumed for quay construction, container handling equipment, yard construction, dredging & land reclamation and other cost. Overall, DS Research has estimated that investments for container terminal projects 2016-’21 include about US$bn 37 for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





Ship sizes increasing dramatically

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



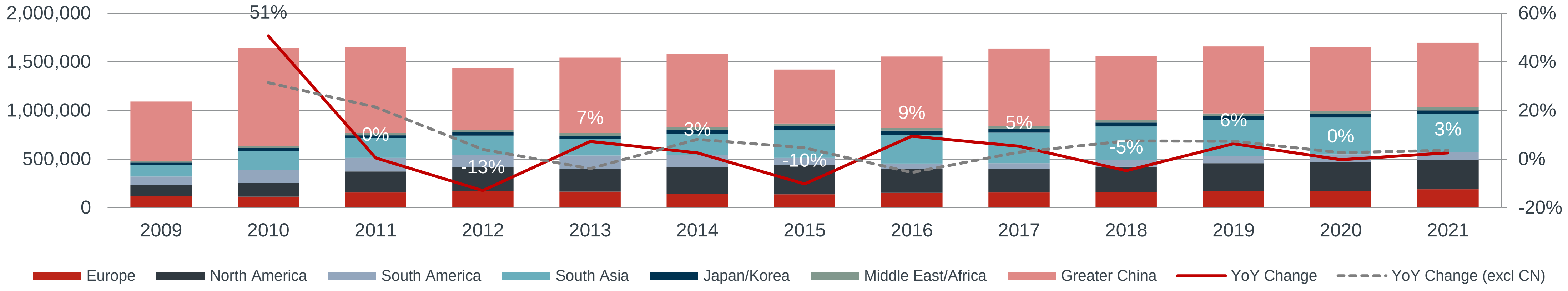
Source: Drewry November 2015

Hiab appendix

Global truck volumes

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

Truck registrations, GVW >15t



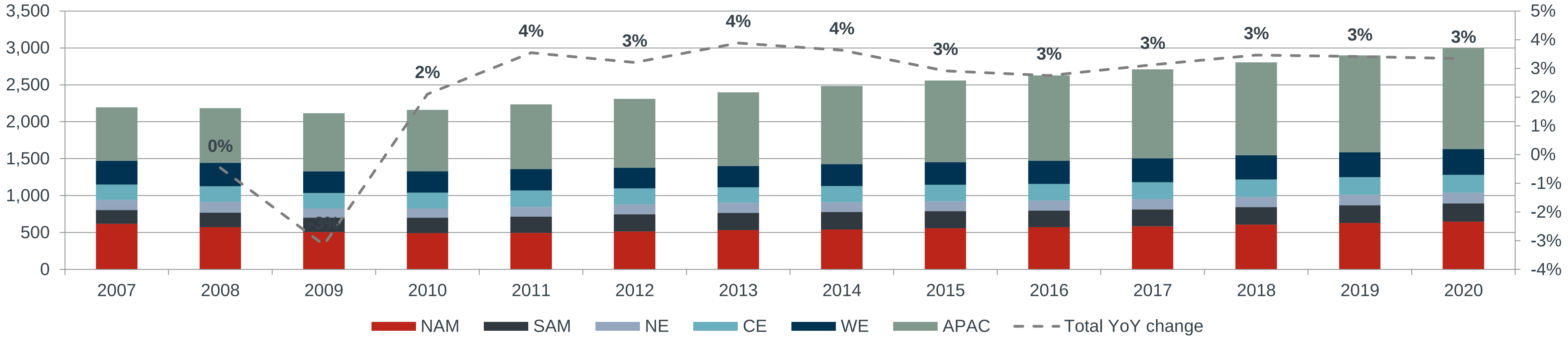
Changes vs last Forecast	2 017	2 018	2 019	2 020	2 021
Europe	5,1%	1,8%	0,5%	0,5%	1,1%
North America	1,9%	0,7%	1,2%	1,4%	2,0%
South America	-0,3%	-1,5%	1,2%	-1,5%	-0,2%
South Asia	-4,8%	-3,6%	-1,4%	-1,2%	-1,4%
Japan/Korea	3,9%	3,3%	3,3%	3,4%	3,1%
Middle East/Africa	1,1%	0,0%	0,2%	0,2%	0,6%
Greater China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

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

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

Construction output forecast

Annual Construction Output



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

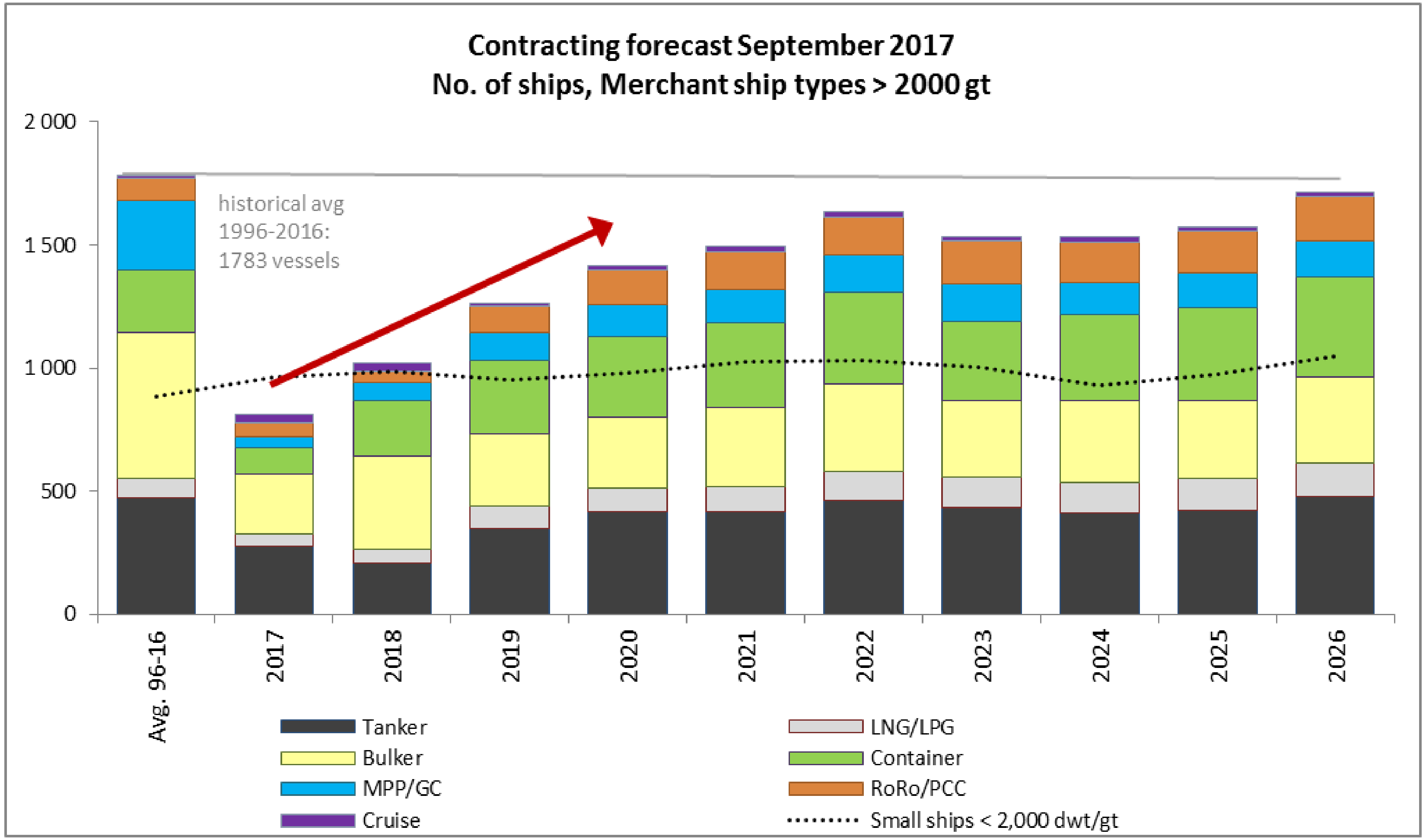
YoY changes	2015	2016	2017	2018	2019	2020
NAM	3,1%	2,3%	2,4%	3,9%	3,5%	2,9%
SAM	-1,4%	-2,0%	0,5%	2,6%	2,6%	2,9%
NE	1,0%	-0,4%	2,7%	1,5%	1,5%	1,6%
CE	1,6%	1,1%	2,4%	2,1%	1,6%	1,4%
WE	2,2%	3,1%	2,0%	2,3%	2,6%	3,0%
APAC	4,5%	4,6%	4,5%	4,2%	4,3%	4,2%
Total	2,9%	2,8%	3,1%	3,5%	3,4%	3,3%

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

MacGregor appendix

Merchant ships: Contracting forecast by shiptype (no of ships)

Merchant ship types > 2000 gt, base case

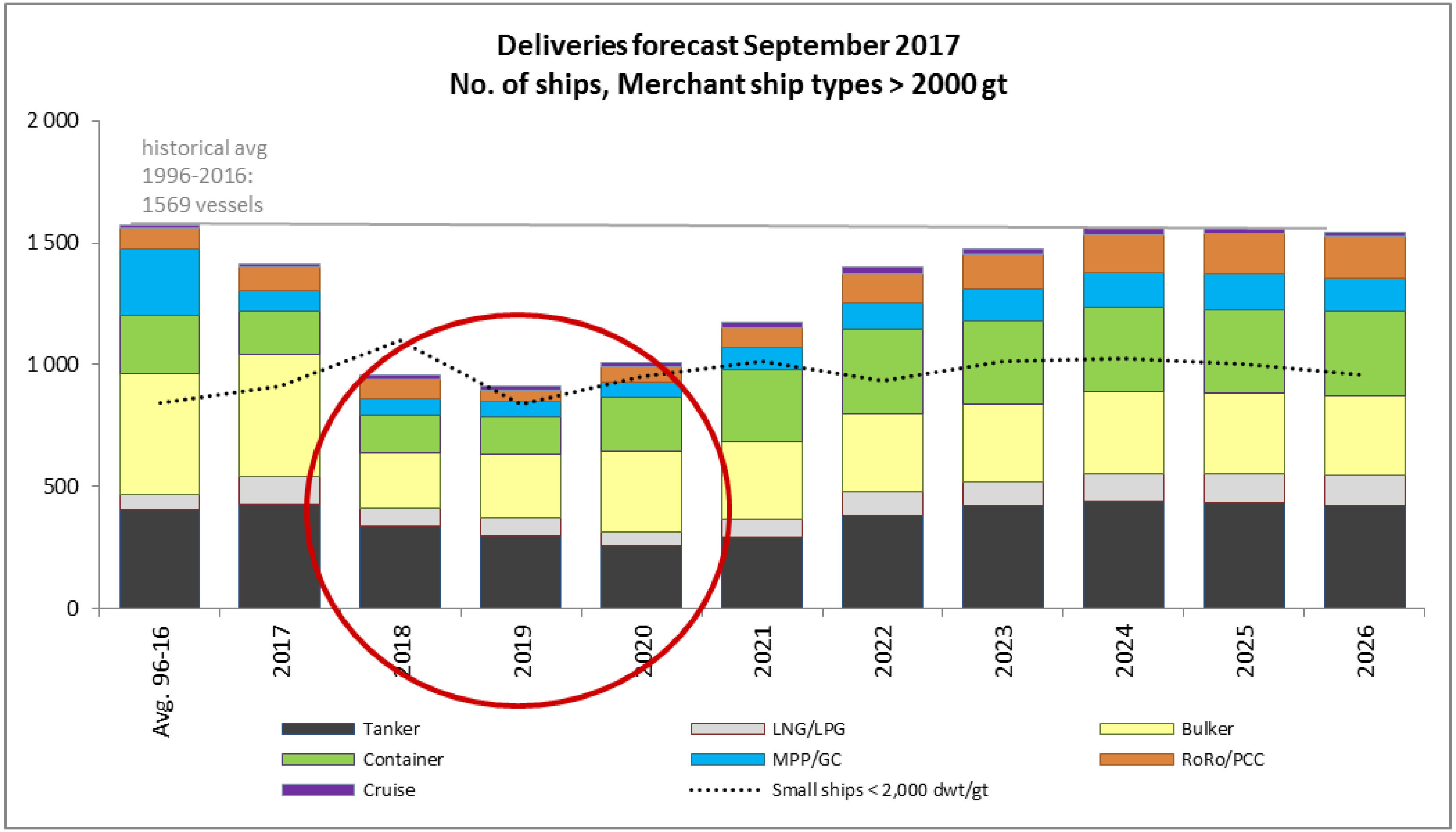


Source: Clarksons September 2017

Merchant ships: Deliveries forecast by shiptype (no of ships)

Merchant ship types > 2000 gt, base case

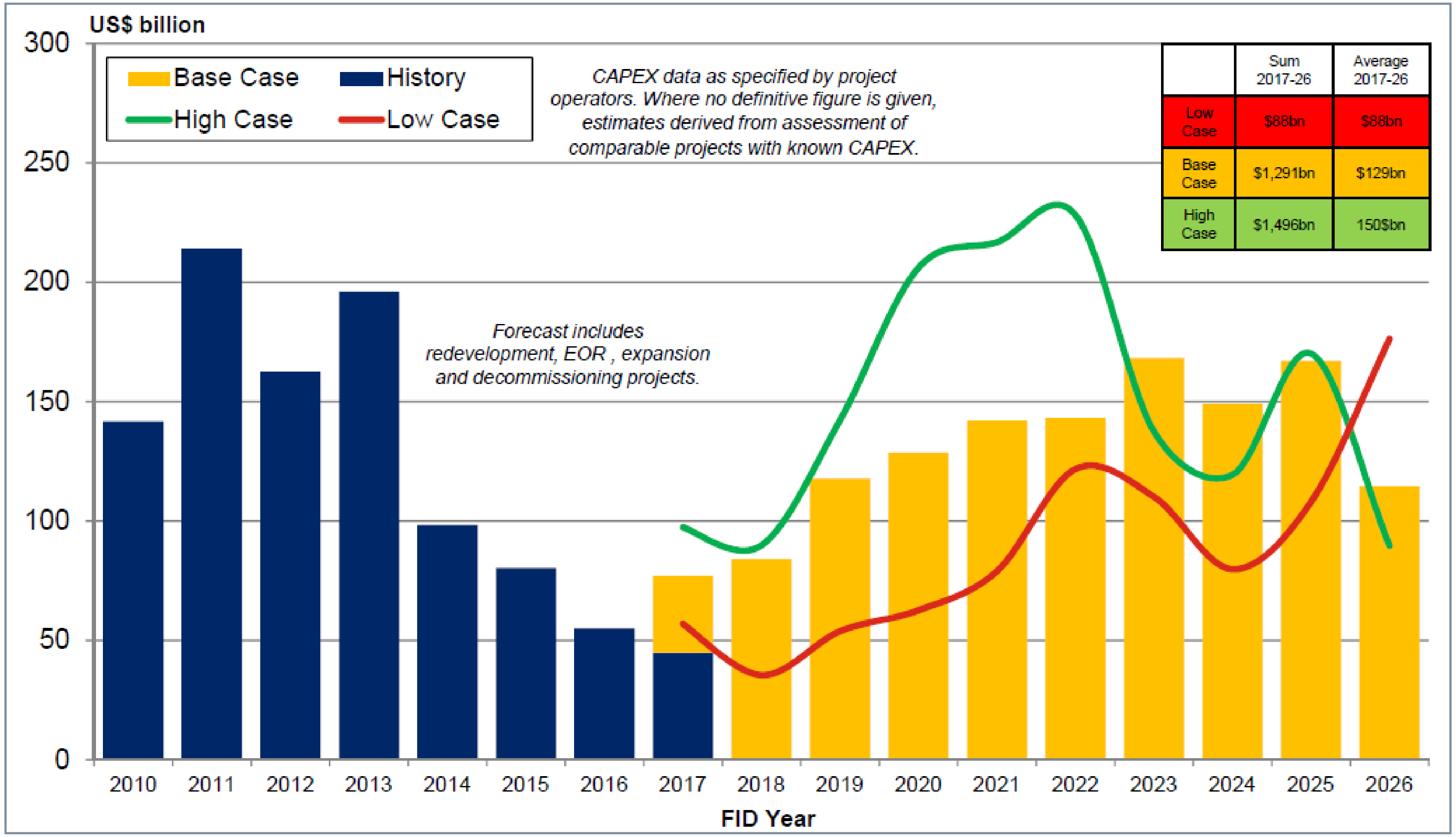
Deliveries 2018 and onwards decrease due to the extremely low contracting levels 2015-2017, and will remain at historically lower levels in medium-term due to the continued lower contracting.



Source: Clarksons September 2017

Offshore oil & gas CAPEX – historical and projected

- Base case USD 60/bbl 2021

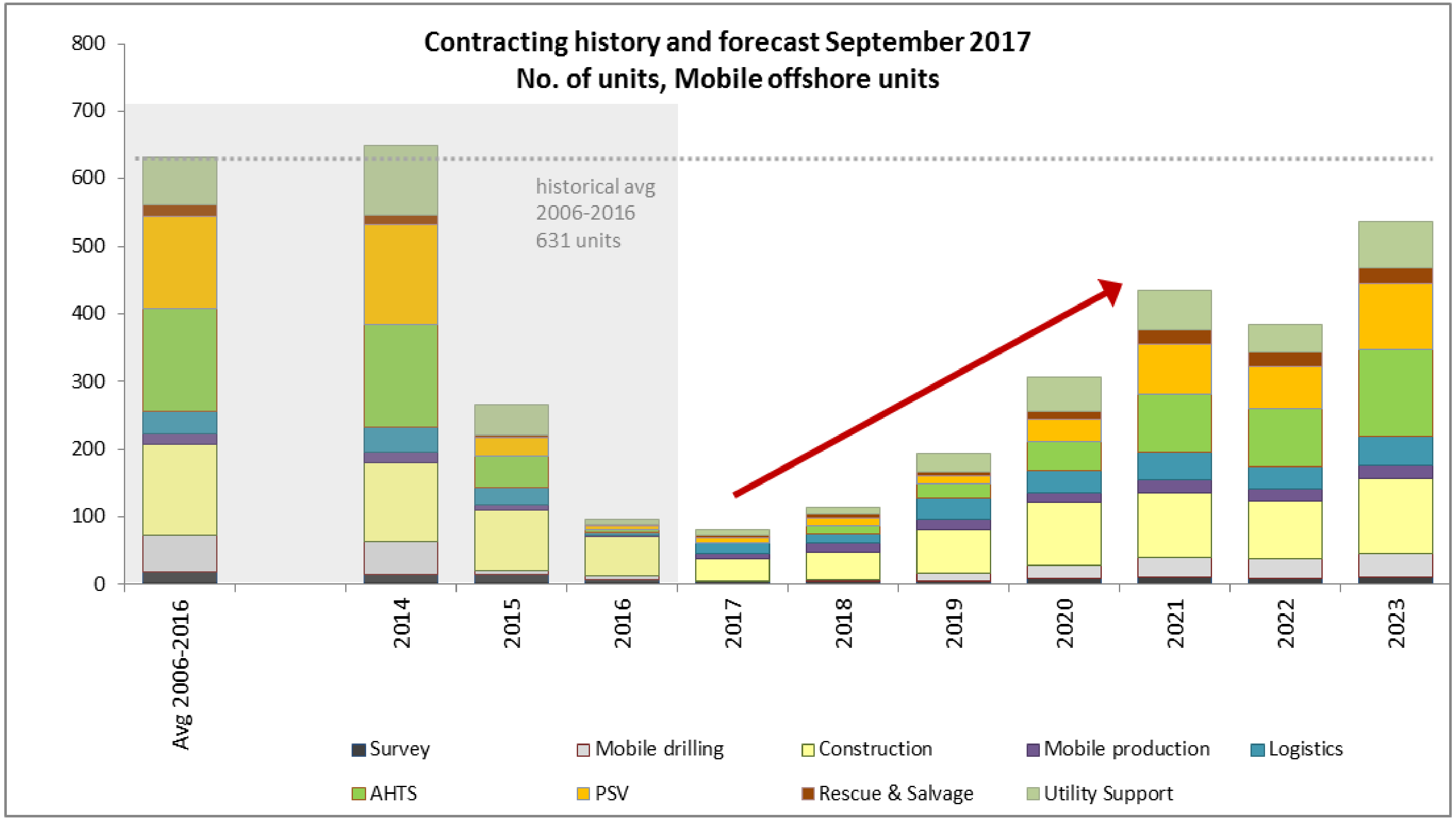


	Sum 2017-26	Average 2017-26
Low Case	$88bn	$88bn
Base Case	$1,291bn	$129bn
High Case	$1,496bn	150$bn

Source: Clarksons September 2017

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

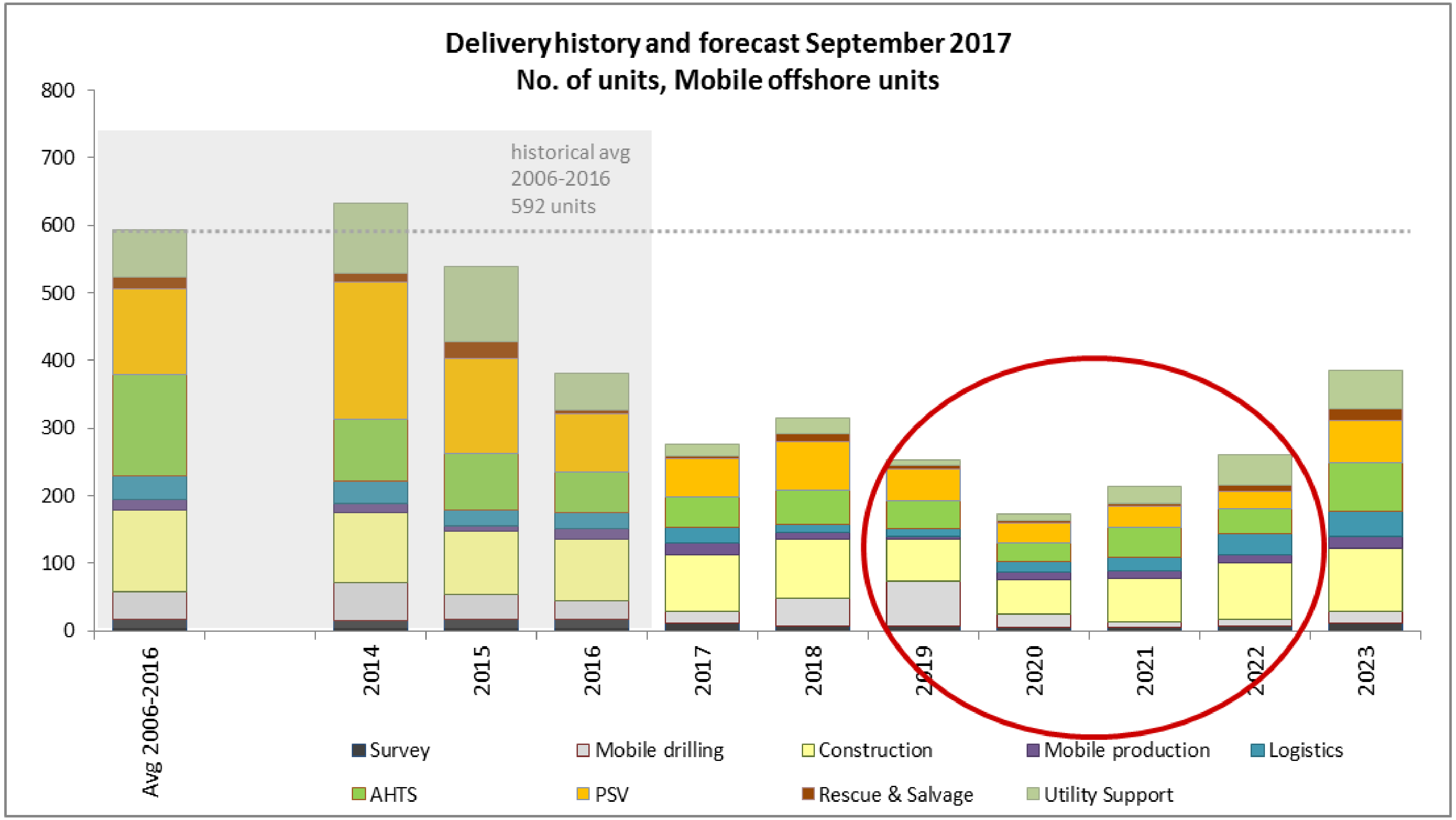
Offshore mobile units, base case USD 60/bbl 2021



Source: Clarksons September 2017

Offshore mobile units: Deliveries forecast by shiptype (no of units)

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



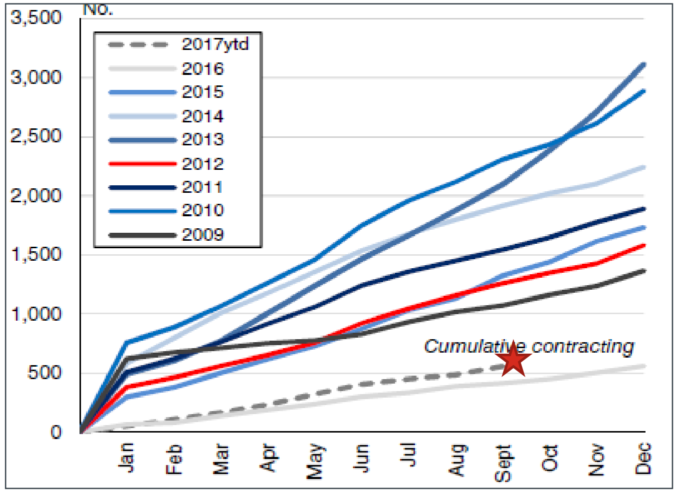
Source: Clarksons September 2017

Shipbuilding – Contracting ships >2000 gt/dwt

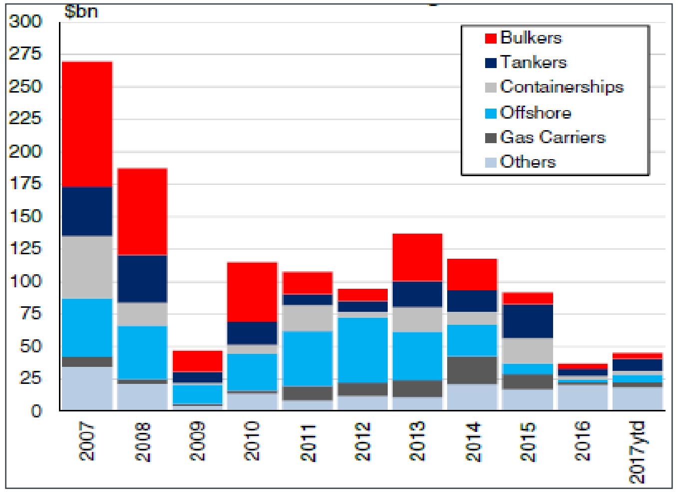
Global Contracting Activity (1st October 2017)

	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)**	**1,731**	**561**	**558**	**33%**	**91.8**	**36.6**	**45.0**	**64%**	**40.6**	**12.8**	**16.0**	**67%**
Vessel Type												
Bulkers	344	55	150	*264%*	9.2	3.4	4.6	*80%*	6.1	1.9	3.4	*135%*
Tankers	564	185	197	*42%*	26.2	5.8	9.2	*109%*	13.0	3.2	5.1	*116%*
Containerships	268	95	48	*-33%*	19.4	2.9	2.6	*20%*	10.7	2.0	1.9	*30%*
Gas Carriers	111	21	34	*116%*	11.6	1.9	3.6	*159%*	4.6	0.7	1.5	*163%*
Offshore	186	54	32	*-21%*	8.3	2.2	6.2	*271%*	1.6	0.6	0.5	*26%*
Others	258	151	97	*-14%*	17.1	20.4	18.7	*23%*	4.7	4.4	3.5	*8%*
Builder Country												
China	593	249	215	*15%*	23.7	8.9	10.0	*51%*	11.9	4.7	5.1	*44%*
South Korea	299	73	133	*143%*	25.0	4.4	12.1	*266%*	11.2	2.2	5.0	*205%*
Japan	532	84	75	*19%*	23.8	3.2	2.6	*11%*	12.5	1.6	1.5	*22%*
Europe	126	106	70	*-12%*	13.7	18.6	18.2	*31%*	2.7	3.6	3.2	*20%*
Other	181	49	65	*77%*	5.5	1.6	1.9	*63%*	2.4	0.6	1.1	*139%*

Contracting Volumes 2009-2017
no. of ships



Estimated newbuilding investment
$bn

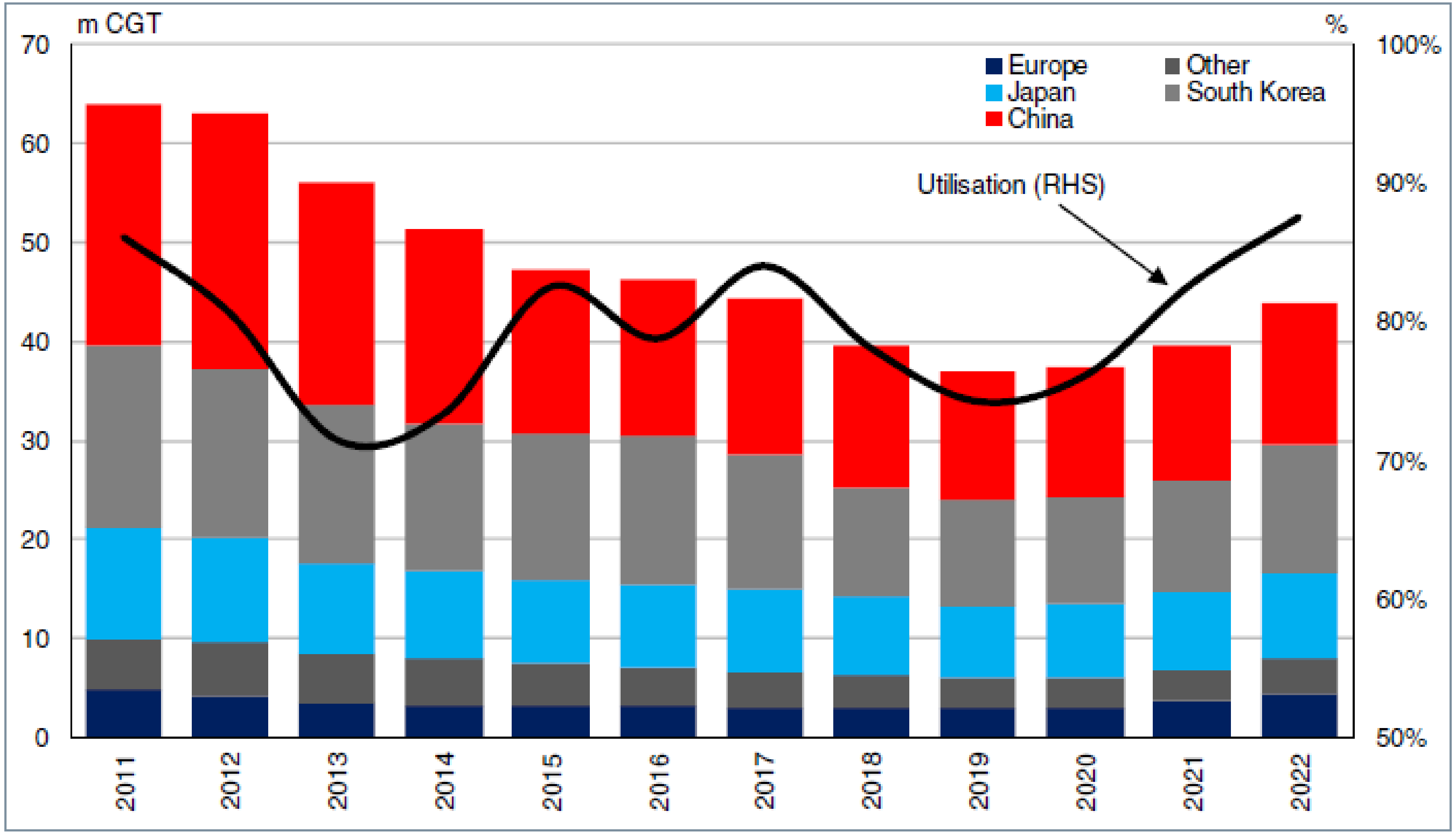


Source: Clarksons October 2017

Shipbuilding capacity and utilisation scenario

Total ‘commercially available’ shipyard capacity peaked at around 63.9m CGT at the end of 2011 and has since declined by an estimated 28% to reach 46.3m CGT at the end of 2016.

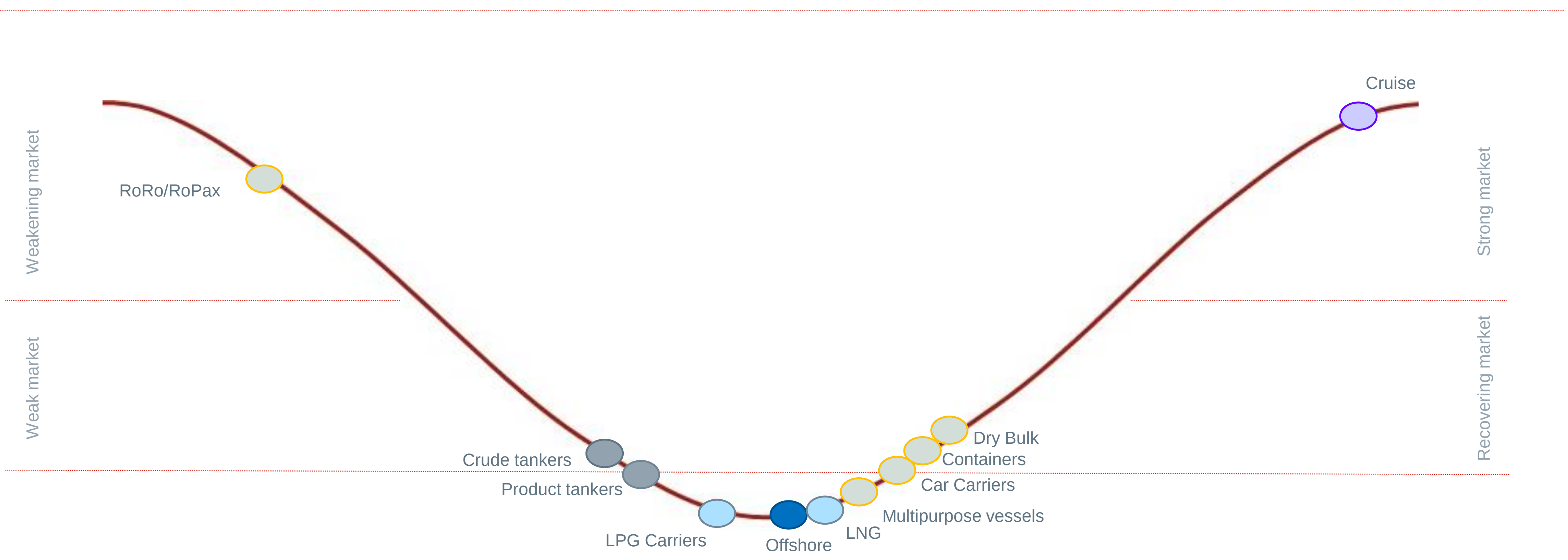
A further 20% fall in capacity is expected between the end of 2016 and the end of 2019, when ‘commercially available’ capacity is forecast to decline to a low of 37.1m CGT.



Source: Clarksons September 2017

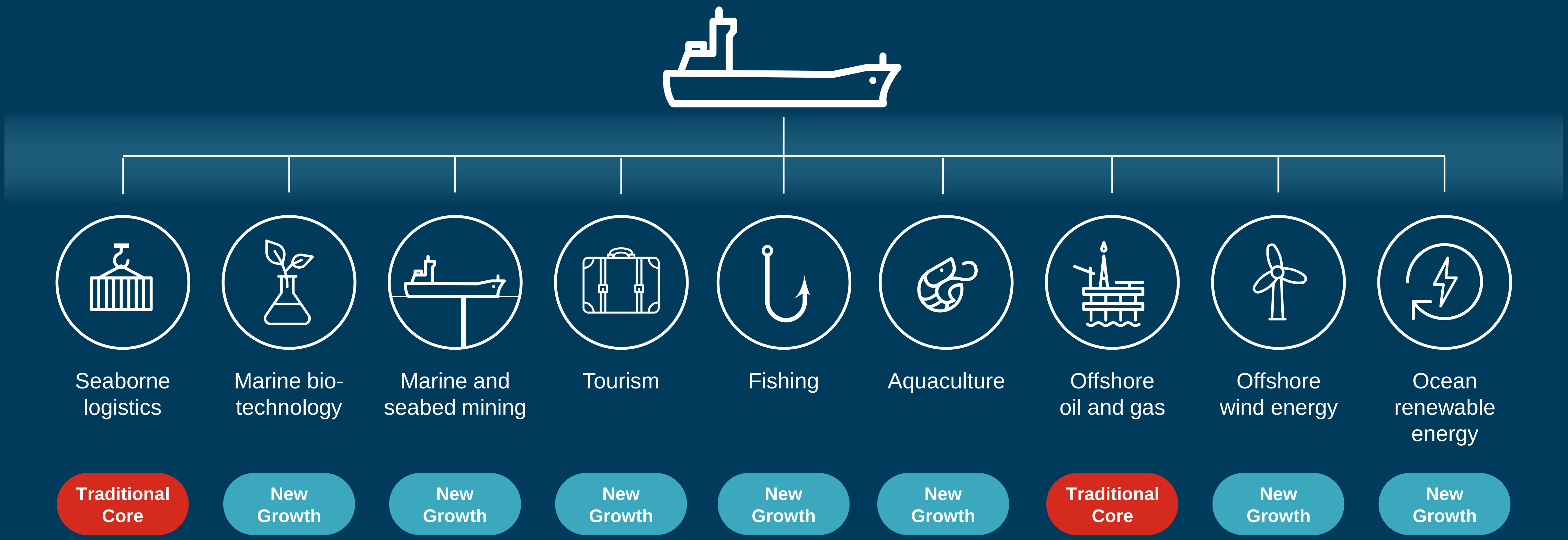
Shipping cycle positions

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



Source: MacGregor internal & Clarksons September 2017

We are capturing ”blue growth” opportunities



CARGOTEC