Building platform for future growth – key actions started to improve profitability

Mika Vehviläinen, Interim President, MacGregor
Declan Guerin, CFO, MacGregor
1. MacGregor overview

2. Market development
   - Merchant
   - Offshore

3. Key strategies

4. Conclusions
Our ambition

…is to build a market leading platform which delivers sustainable growth and returns through the cycle.
MacGregor strengths

- Leading brand with long standing client relationships
- Truly global with 61 service centres and 55 sales offices
- Leading product range
- World class R&D portfolio
- Lean organisation
- Flexible low cost production
- More balanced portfolio: offshore growth and profitability
Strong positions in merchant ship and offshore markets

- Hatch covers, container lashings
- Cranes
- RoRo access equipment
- Port and terminal solutions
- Marine selfunloaders
- Offshore load handling
- Marine loading arms
- Deck machinery
- Steering gears
- Mooring systems
- Offloading systems
- Bow loading systems

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Optimising functionality with integrated ship-type solutions

Every ship requires a cargo flow solution which

- Improves efficiency
- Increases competitiveness

MacGregor solutions offer functionality in

- Cargo access
- Cargo care/stowage
- Cargo handling

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Integrated solutions for specific ship type and its operational requirements
Financials

Financial track record

Balanced sales mix

* excluding Bulk Handling business
Operating profit% excluding restructuring costs

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Financial impact of synergies seen in order intake and material cost reduction

Orders 2014

Sales 2014

- Acquisitions
- Synergies
- Legacy MacGregor
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Slow recovery in merchant shipping

Long-term contracting 2002–2023

Values are in thousands of ships.

World fleet additions 2002–2026

Values are in thousands of ships.
Sub-sea support demand is expected to grow

**Offshore oil production**

- Expecting continued deep water growth
- Current “low” oil price is above break even point of deep-water investments
- Oil majors are cutting capex however, this is being offset by NOC’s expanding

**Global vessel market demand**

- Core markets will continue to grow, support activity remains stable
- More deep-water activity is supportive of lifting and intervention equipment
- Sweating of existing assets is supportive

Source: Douglas Westwood
Despite reducing oil price outlook remains positive

Break-even price for non-producing assets in USD/barrel

Global oilfield service purchases, 2014–2020 CAGR

Source: Rystad energy

EPCI = Engineering procurement construction and installation
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Key actions to drive profitability

Service
- Right capabilities and systems
- Service footprint
- Excellence in spare parts availability

Grow services to 30% of sales

Sales
- Increase sales by cross-selling & defining sales models
- Increase solution selling

Cross-selling 100 MEUR +

Effectiveness
- Leveraging technology and R&D
- Design to value

2% product margin improvement
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Conclusions

- Moderate growth for merchant, offshore outlook remains positive
- Margin impacted by low volumes, competitive environment, one-time costs and delivery mix
- Integration and synergies on target
- Building platform for growth
- Key improvement actions started, impact visible 2016 onwards