Cargotec Capital Markets Day

Driving profitable growth through intelligent cargo handling
London, 30 November 2015

2015
Agenda

12.30 Driving profitable growth through intelligent cargo handling, Mika Vehviläinen, President and CEO

13.00 Building value over the business cycle, Roland Sundén, President, Hiab

13.30 Focus on profitable growth, Olli Isotalo, President, Kalmar

14.00 Break

14.30 Improving profitability and preparing for longer term growth, Michel van Roozendaal, President, MacGregor

15.00 Improving shareholder return at Cargotec, Eeva Sipilä, CFO

15.20 CEO’s wrap-up, Mika Vehviläinen

15.30 Break

15.45 Breakout 1

16.10 Breakout 2

16.35 Breakout 3

17.00 Drinks with management
Speakers

Mika Vehviläinen
President and CEO

Roland Sundén
President, Hiab

Olli Isotalo
President, Kalmar

Michel van Roozendaal
President, MacGregor

Eeva Sipilä
CFO
## Other Cargotec participants

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christian Bjorne</td>
<td>Vice President, Services, Hiab</td>
</tr>
<tr>
<td>John Carnall</td>
<td>Senior Vice President, GLS Division, MacGregor</td>
</tr>
<tr>
<td>Craig Jessup</td>
<td>Senior Vice President, Kalmar Services</td>
</tr>
<tr>
<td>Andrew Barrons</td>
<td>Senior Vice President, Marketing, Kalmar Navis</td>
</tr>
<tr>
<td>Mikko Pelkonen</td>
<td>Executive Vice President, HR</td>
</tr>
<tr>
<td>Leena Lie</td>
<td>Senior Vice President, Communications</td>
</tr>
<tr>
<td>Paula Liimatta</td>
<td>Director, Investor Relations</td>
</tr>
<tr>
<td>Tiina Aaltonen</td>
<td>Executive Assistant to CFO and Investor Relations</td>
</tr>
<tr>
<td>Mika Seppä</td>
<td>Project Director, Automation &amp; Projects, Kalmar (LGW visit)</td>
</tr>
</tbody>
</table>
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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.
Driving profitable growth through intelligent cargo handling

Mika Vehviläinen, President and CEO
From turnaround to leader in intelligent cargo handling with sector leading profitability

Turnaround is delivering results in Hiab and Kalmar; MacGregor has improvement plan in place

Transformation has started from equipment business to world class services offering and leadership in intelligent cargo handling

Investing to ensure a leading position

Shaping the portfolio to increase shareholder value

→ 10%
operating profit margin (EBIT) in each business area over the cycle
Today’s leader in cargo handling equipment

Cargotec Group
Sales: EUR 2,753 million
EBIT: 6.5%
Services: 24%

MacGregor
32% of sales
EBIT: 4.2%
Services: 20%

Kalmar
43% of sales
EBIT: 7.9%
Services: 27%

Hiab
25% of sales
EBIT: 10.3%
Services: 24%

Geographical split of sales in 1-9/2015

Figures: 1-9/2015
EBIT % excluding restructuring costs
30 Nov 2015
Good improvements in operating performance

Main leadership changes completed
Profitability improved in Hiab and Kalmar, MacGregor has improvement plans in place
Strong execution capabilities to drive strategy
Improved control and visibility on businesses
  - investments in the control environment and business platforms 70% ready
EUR 190 million investments in R&D since 2013
Building on our strengths

#1 global market leader in core segments
Growth businesses supported by megatrends
Category defining brands
Industry leading innovations
Investing in our transformation to be the leader in intelligent cargo handling

<table>
<thead>
<tr>
<th>Year</th>
<th>PRODUCT LEADERSHIP</th>
<th>SERVICES LEADERSHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Good equipment company</td>
<td>World-class service offering</td>
</tr>
<tr>
<td></td>
<td>Product R&amp;D drives offering development</td>
<td>Connected equipment and data analytics building value on data</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Significant software business</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>LEADER IN INTELLIGENT CARGO HANDLING</td>
</tr>
<tr>
<td></td>
<td></td>
<td>40% of the sales from services and software</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More efficient and optimised cargo handling solutions</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Must-win battles to support transformation

- Build world-class services offering
- Lead digitalisation
- Build world-class leadership
Cargotec has strong base for value creation across its three business areas

Combining agility and focus with the scale and capabilities of a larger group

Driving world class practices and capabilities in services, digitalisation and leadership development

Shaping the underlying portfolio based on business attractiveness, market structure and strategic direction

- Investing more in high growth and/or high return businesses
- Filling gaps in technology and geographical footprint
- Disposing non-strategic/low performing businesses

Right base to drive shareholder value of the company, 15% return on capital employed* over the cycle

* ROCE pre-tax
Outlook in merchant shipping and offshore turning back to growth

Long-term contracting 2005–2024
Merchant ships > 2,000 gt

No of ships

<table>
<thead>
<tr>
<th>Year</th>
<th>History</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>5,000</td>
<td>4,500</td>
</tr>
<tr>
<td>2008</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>2010</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>2012</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>2014</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>2016</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>2018</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>2020</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>2022</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>2024</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Long-term contracting 2012–2021
Mobile offshore units

No of units

<table>
<thead>
<tr>
<th>Year</th>
<th>History</th>
<th>Forecast</th>
<th>Hist avg 2004-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,000</td>
<td>1,000</td>
<td>Hist avg 2004-2014</td>
</tr>
<tr>
<td>2013</td>
<td>2,000</td>
<td>2,000</td>
<td>Hist avg 2004-2014</td>
</tr>
<tr>
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<td>3,000</td>
<td>3,000</td>
<td>Hist avg 2004-2014</td>
</tr>
<tr>
<td>2015</td>
<td>400</td>
<td>400</td>
<td>Hist avg 2004-2014</td>
</tr>
<tr>
<td>2016</td>
<td>300</td>
<td>300</td>
<td>Hist avg 2004-2014</td>
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<tr>
<td>2017</td>
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<td>2018</td>
<td>100</td>
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<td>Hist avg 2004-2014</td>
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<tr>
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<td>Hist avg 2004-2014</td>
</tr>
<tr>
<td>2020</td>
<td>100</td>
<td>100</td>
<td>Hist avg 2004-2014</td>
</tr>
<tr>
<td>2021</td>
<td>200</td>
<td>200</td>
<td>Hist avg 2004-2014</td>
</tr>
</tbody>
</table>

Sources: UNCTAD, Clarkson Research
Container throughput forecasted to grow year on year

Source: Drewry: Global Container Terminal Operators Annual Report 2015
Construction output driving growth opportunity

EMEA construction output
y/y change (%)

AMER construction output
y/y change (%)

Index
Change %

Committed to improve shareholder return

Business area targets

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

10%

Growth
Faster than market growth

Business area targets

Group targets

Gearing

<50%

Return on capital employed over the cycle (ROCE pre-tax)

15%

Dividend
30-50% of earnings per share
Well positioned to become the leader in intelligent cargo handling

Execution capabilities in place and profitability improving

Building on tremendous strengths

Transforming from equipment company to a company that will shape the cargo handling industry

Investing to ensure a leading position

Shaping our portfolio to drive growth and shareholder value
Building value over the business cycle

Roland Sundén
President, Hiab
Building value over the business cycle

We have built a firm foundation for future growth

We are investing to shape the industry

We create value over the business cycle
Hiab has strong positions in attractive markets

<table>
<thead>
<tr>
<th>Category</th>
<th>Market size (€B)</th>
<th>Growth</th>
<th>Hiab position &amp; trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loader cranes</td>
<td>1.3</td>
<td>GDP →</td>
<td>#2 →</td>
</tr>
<tr>
<td>Tail lifts</td>
<td>0.5</td>
<td>GDP+ →</td>
<td>#1 ↑</td>
</tr>
<tr>
<td>Demountables</td>
<td>0.4</td>
<td>GDP →</td>
<td>#1 ↑</td>
</tr>
<tr>
<td>Truck-mounted forklifts</td>
<td>0.2</td>
<td>GDP+ →</td>
<td>#1 ↑</td>
</tr>
<tr>
<td>Forestry cranes</td>
<td>0.2</td>
<td>GDP →</td>
<td>#2 →</td>
</tr>
</tbody>
</table>
We have delivered on our promises...

Good progress on priorities

Outperform competition in sales & services execution
- Sales funnel management
- Parts availability
- Dealer management

Develop customer driven, simplified and competitive product offering
- Product portfolio upgrading
- Customer insight
- Modularisation

Reduce value chain complexity, cost and cash conversion cycle
- Stargard up to full-scale
- Working capital management
- Optimise the distribution network

Delivered on 10% target

![Graph showing Hiab operating profit and average competitor operating profit %](image)

- Hiab operating profit
- Hiab operating profit %
- Average competitor operating profit %

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...and booked a series of successes...

- Strengthen our North America No.1 position including a renewed leadership team
- Record level in new product launches. Over 45 launches in past 3 years and more to come.…
- Strong growth in key accounts worldwide with over 2,700+ units ordered last year
- Best in class service & spare parts performance with over 97.9% availability
  Increased capture rate in 8 top European markets
- Accelerated the Sinotruk/Hiab JV market penetration efforts
...and we continue to push technology boundaries

**HIAB Big 5** strengthens our position in heavy cranes segment

**HIAB VSL** PLUS a revolutionary new crane stability system

**MOFFETT electric drive**, after the success of our full electric unit, developing a 3 wheel drive for rough terrain applications
**Our key growth drivers are...**

| **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 |
...and investments for profitable growth

- **E2E value chain** – optimise our distribution network and supply chain
- **Product innovation** – strengthening our market positions
- **Digitalisation** – all new products connected by 2018
- **Services** – further expand our offering

→ **10%** operating profit margin (EBIT) over the cycle
Building value over the business cycle

Conclusions

We have built a firm foundation – great cash generation for profitable growth

We are investing to shape the industry – E2E value chain, innovation, digitalisation and services

We create value over the business cycle – 10% operating profit margin (EBIT)
Questions
Focus on profitable growth

Olli Isotalo, President, Kalmar
Focus on profitable growth

→ Win in automation
→ Grow in software
→ Sustain global leadership in mobile equipment
→ Digital services and spare parts excellence
**Strong position in attractive segments**

<table>
<thead>
<tr>
<th>Market position</th>
<th>Trend</th>
<th>Market size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automation &amp; Projects</td>
<td>#1-2</td>
<td>→</td>
</tr>
<tr>
<td>Mobile equipment</td>
<td>#1</td>
<td>→</td>
</tr>
<tr>
<td>Bromma</td>
<td>#1</td>
<td>→</td>
</tr>
<tr>
<td>Navis</td>
<td>#1</td>
<td>→</td>
</tr>
<tr>
<td>Services</td>
<td>#1</td>
<td>→</td>
</tr>
</tbody>
</table>

Over 80% of Kalmar business is in ports and terminals.
Global container throughput continues to grow
Additional investment due to larger vessels, Panama Canal expansion and automation

Half billion TEU reached in 2010. Volumes hitting the 1 billion mark in 2023 or 2025?

Source: Drewry: Global Container Terminal Operators Annual Report 2015
A solid basis for focusing on growth

Significant amount of capital employed is goodwill.

Performance improvement according to the plan set in autumn 2013.
Kalmar is outperforming the competition

Profit-%


Kalmar
Konecranes
Konecranes + Terex MHPS
Sany
Terex MHPS
ZPMC
All
Industry trends support growth in port automation

- Ships are becoming bigger and the peak loads have become an issue
- Optimum efficiency, space utilisation and reduction of costs are increasingly important
- Safety in the terminal yard has become even more of a focus for operators
- Importance of sustainable operations is growing
- Shortage and cost of trained and skilled labour pushes terminals to automation
Great business case for port automation

Cost saving example in a typical automated terminal

Indexed P&L manual terminal*

<table>
<thead>
<tr>
<th>Revenue</th>
<th>100</th>
<th>When converted into an automated operation:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Labour costs</td>
<td>40</td>
<td>60% less labour costs</td>
</tr>
<tr>
<td>Maintenance</td>
<td>8</td>
<td>20% less maintenance</td>
</tr>
<tr>
<td>Power &amp; fuel</td>
<td>4</td>
<td>25% less power &amp; fuel</td>
</tr>
<tr>
<td>IT</td>
<td>2</td>
<td>50% higher IT</td>
</tr>
<tr>
<td>Depreciation</td>
<td>10</td>
<td>30% higher depreciation</td>
</tr>
<tr>
<td>Other costs (land, overhead)</td>
<td>18</td>
<td>Assuming same overheads</td>
</tr>
<tr>
<td>Total costs</td>
<td>82</td>
<td>27% less costs</td>
</tr>
<tr>
<td>Profit</td>
<td>18</td>
<td>125% profit increase</td>
</tr>
</tbody>
</table>

*) Typical manual operation in Europe

30 Nov 2015
Over 70 automation projects on radar screen by 2020

Exponential growth would more than double the number of automated terminals by 2020

EUR 5 billion market potential in medium term

Source: Kalmar Business Intelligence
Kalmar and Navis are leaders in port automation

1990-2014:
Automated terminals: 37
- Kalmar automation projects 8
- Navis automation projects 11
- Other automated terminals 18

2010-2014:
Automated terminal projects: 17
Kalmar share: 5
Navis share: 7

Note: Automated terminal = unmanned yard operations at minimum
Software offers significant growth opportunities

- The container value chain is woefully inefficient, with total value at stake estimated at approx. EUR 17 billion
- The container shipping industry has an annual IT spend of approx. EUR 6 billion where EUR 1.7 billion is spent on software solutions. The market is expected to grow to EUR 2.8 billion by 2020
- Potential to leverage Navis as a platform to increase offering to existing terminal customers as well as to shipping lines

Source: Kalmar Business Intelligence 30 Nov 2015
Sustain global leadership in mobile equipment

- Further profitability improvement is expected from mobile equipment
- Value chain excellence
  - 3% annual cost reduction track record to be continued
  - Expected productivity leap in Poland after production transfers done in the past
- Competitive offering based on customer value
- Distribution network development
  - 25 new dealers and agents appointed in more than 100 locations in Greater China since 2012

Market share in reachstackers 40% and terminal tractors 49%. Konecranes and Terex merger will not change the picture.
Digital services - instant insight for immediate business impact

Target is to have all our machines connected by 2018
Excel in spare parts

- Global inventory planning for improved availability, reduced inventory and obsolescence in place
- New distribution centers in APAC and AMER
- Common systems:
  - SAP and Servigistics implemented
  - Next generation e-commerce platform under development
- Price adjustments based on market expectations: 30 000 OEM spare part items re-priced this year
### Profit improvement potential 2016-2018

#### 2015
- **Automation**: Project delivery capability development
- **Software**: Expand software business
- **Mobile equipment**: Continuous improvements in design-to-cost and sourcing
- **Services**: Excel in spare parts

#### 2016
- **Automation**: Expand Rainbow Cargotec Industries (China) joint venture offering
- **Software**: Expand software business
- **Mobile equipment**: Strengthen distribution network
- **Services**: Excel in spare parts

#### 2017
- **Automation**: Further development of integrated port automation solutions
- **Software**: Expand software business
- **Mobile equipment**: Continuous improvements in design-to-cost and sourcing
- **Services**: Excel in spare parts

#### 2018
- **Automation**: Further development of integrated port automation solutions
- **Software**: Expand software business
- **Mobile equipment**: Continuous improvements in design-to-cost and sourcing
- **Services**: Excel in spare parts

**Total 60-100 EUR million improvement potential**

- **+20-30 EUR million**
- **+10-20 EUR million**
- **+20-30 EUR million**
- **+10-20 EUR million**

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Focus on profitable growth

Solid foundation for further improvement

Win in automation

Grow in software

Sustain global leadership in mobile equipment

Digital services and spare parts excellence

10% operating profit margin (EBIT) over the cycle
Questions?
Improving profitability and preparing for longer term growth

Michel van Roozendaal, President, MacGregor
We are improving profitability

→ Reducing our cost base

→ Improving our discipline in project execution and our product cost

→ Enhancing our focus on services

→ Leveraging on the MacGregor asset-light business model
Strong positions in both the marine and offshore market

Marine
Container lashing
Hatch covers
Cranes and selfunloaders
RoRo

Offshore
Offshore advanced load handling
Offshore winches
Mooring systems
Loading and offloading systems

RoRo=roll-on/roll-off
Cost reduction and cost control measures set in place in 2015

Reduction of over 300 employees

Organisational development

Targeted annual savings of EUR 27 million

Measures taken in 2015 will have a full impact in 2016

Headcount reduced by 11%

Internal headcount

<table>
<thead>
<tr>
<th>Status 1.1.2015</th>
<th>Key position increases</th>
<th>Services branches restructuring</th>
<th>Uetersen restructuring</th>
<th>Norway and Singapore offshore divisions</th>
<th>Other restructuring</th>
<th>Status 1.1.2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,900</td>
<td>2,800</td>
<td>2,700</td>
<td>2,600</td>
<td>2,500</td>
<td>2,400</td>
<td>2,300</td>
</tr>
</tbody>
</table>

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Improving project execution and reducing product cost

Project execution
- Harmonised world class processes
- Disciplined execution

Design-to-cost
- Leverage on total MacGregor volume
- Align functionality with requirements

Targeted savings of EUR 10 million from design-to-cost will materialise in 2016
Increased focus on service improves profitability

Share of services will exceed 25% of sales in 2016
Our asset-light business model gives flexibility

Cost-efficient scaling

85% of manufacturing outsourced

30% of design and engineering capacity outsourced
Slight improvement in operating profit margin in 2016

Tough market situation

- Reduced demand
- Increased price pressure

Measurements in place give confidence we can slightly improve operating profit margin in 2016

Supported by a solid backlog going into 2016
Solid backlog going into 2016

80% of orders in the backlog for 2016 booked by the end of 2015

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Orders to be booked during 2016</th>
<th>Orders already in the backlog of 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3/2015</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>Full year 2015</td>
<td>90%</td>
<td>10%</td>
</tr>
</tbody>
</table>
Preparing for longer term growth

Focusing both on defensive and offensive play
Key growth opportunities

Active growth sectors

- Offshore wind
- Floating production units
- Offshore gas (LNG)
- RoRo: Car carriers / ferry
- Mega-size container ships

China

- Strategic partnerships and alliances
- Stronger local footprint throughout the whole value chain
Growth through services and shiptype solutions

Services excellence by digitalisation
- Leveraging our strong installed base
- Digitalised customer interface
- Connectivity and data management

Shiptype solutions
- Shiptype focus to maximise benefit of our wide portfolio
- Boosting profitability of ship operators
We are improving profitability

Improving profitability by cost reductions, product and project cost improvements, services development

- Cost reduction measures started in 2015 will result in targeted EUR 27 million annual savings
- Targeted savings of EUR 10 million from design-to-cost will materialise in 2016
- Share of services will exceed 25% of sales in 2016
- Asset-light model with 85% of manufacturing outsourced allows for cost-efficient scaling

80% of orders for 2016 in backlog by the end of the year

→ 10% operating profit margin (EBIT) over the cycle
Questions?
Improving shareholder return at Cargotec

CFO Eeva Sipilä
Levers we are working on to improve shareholder return at Cargotec

From turnaround to profitable growth
- focus currently on Hiab and Kalmar

Further improving operating profit margin

Further improving return on capital (ROCE)
- focus on further net working capital efficiency improvement

Strengthened balance sheet enables growth investments
Q1–Q3/15 results show good progress

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>2,733</td>
<td>2,685</td>
<td>2%</td>
<td>3,599</td>
<td>3,307</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>2,233</td>
<td>2,327</td>
<td>-4%</td>
<td>2,200</td>
<td>1,980</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>2,753</td>
<td>2,395</td>
<td>15%</td>
<td>3,358</td>
<td>3,181</td>
</tr>
<tr>
<td>Operating profit, MEUR*</td>
<td>178.6</td>
<td>77.8</td>
<td></td>
<td>149.3</td>
<td>126.5</td>
</tr>
<tr>
<td>Operating profit margin, %*</td>
<td>6.5</td>
<td>3.2</td>
<td></td>
<td>4.4</td>
<td>4.0</td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>227.3</td>
<td>120.3</td>
<td></td>
<td>204.3</td>
<td>180.9</td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>678</td>
<td>835</td>
<td></td>
<td>719</td>
<td>578</td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>1.67</td>
<td>0.48</td>
<td></td>
<td>1.11</td>
<td>0.89</td>
</tr>
</tbody>
</table>

* excluding restructuring costs
Order intake year-to-date healthy despite weak market situation in MacGregor
Only 4% of Cargotec sales to Chinese market limiting impact of slowdown

Sales to China represented 14% of Cargotec’s sales in Q1-Q3/15

Majority of that is MacGregor sales to Chinese shipyards whose end deliveries are exported out of China

Share of Cargotec sales to China for the Chinese market were 4% in the same period
Actions in all BAs support further improving operating profit margin in 2016
Return on capital employed (ROCE) target of 15% over the cycle built on further improved profitability and working capital efficiency.

<table>
<thead>
<tr>
<th>Year</th>
<th>Return (pre-tax)</th>
<th>ROCE%</th>
<th>ROCE% (excl. restructuring)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>26.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>34.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>22.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-9/2015</td>
<td>10.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Restructuring costs:
- 2,500 EUR million in 2013
- 1,500 EUR million in 2014
- 500 EUR million in 1-9/2015
Operative ROCE in MacGregor has dropped due to market downturn and goodwill from recent acquisitions.
Operative ROCE in Kalmar has significantly improved

![Graph showing operative ROCE improvement from 2012 to 2015.]

Operating profit | Operative capital employed (ext) | ROCE %
Operative ROCE in Hiab has significantly improved

![Graph showing changes in operating profit, operative capital employed (ext), and ROCE % from 2012 to 1-9/2015.](image)

- **Operating profit**
- **Operative capital employed (ext)**
- **ROCE %**

**EUR million**

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating profit</th>
<th>Operative capital employed (ext)</th>
<th>ROCE %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>55</td>
<td>500</td>
<td>2.5</td>
</tr>
<tr>
<td>2013</td>
<td>100</td>
<td>500</td>
<td>3.5</td>
</tr>
<tr>
<td>2014</td>
<td>150</td>
<td>500</td>
<td>3.7</td>
</tr>
<tr>
<td>1-9/2015</td>
<td>200</td>
<td>500</td>
<td>4.5</td>
</tr>
</tbody>
</table>

**EUR million:** 600

**%:**

- 2012: 2.5%
- 2013: 3.5%
- 2014: 3.7%
- 1-9/2015: 4.5%
Net working capital is in focus to improve return on capital employed

Cargotec has relatively high goodwill and low fixed assets on balance sheet

Profitability improvement is vital for return side of ROCE equation

Main lever in capital employed side of ROCE equation is net working capital

Actions continue both to improve turns as well as lower NWC to sales

- Design-to-cost and supply chain actions focusing on inventory
- Sales and distribution actions focusing on accounts receivable

30 Nov 2015

Net working capital/sales %
Cash flow from operations continues as key priority for Cargotec
Strengthened balance sheet shows impact of focus on deleveraging

Gearing %

Net debt/EBITA

* EBITA rolling 12 months
Reaching gearing target <50% will enable focus to gradually move towards profitable growth

- Free cash flow generation
- Shareholder distribution according to dividend policy of 30–50% of earnings
- Investing in organic growth incl. digitalisation
- M&A to support strategy
Solid debt portfolio further supports growth investments

As of 30 Sep 2015:

Commercial bank loans
EUR 200 million

Commercial papers
EUR 89 million

Corporate bonds
EUR 304 million

Loans from international financial institutions
EUR 230 million

Subsidiary loans and leasing liabilities
EUR 42 million

Repayment schedule of interest-bearing liabilities

<table>
<thead>
<tr>
<th>Year</th>
<th>EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>50</td>
</tr>
<tr>
<td>2016</td>
<td>75</td>
</tr>
<tr>
<td>2017</td>
<td>100</td>
</tr>
<tr>
<td>2018</td>
<td>200</td>
</tr>
<tr>
<td>2019</td>
<td>150</td>
</tr>
<tr>
<td>2020</td>
<td>200</td>
</tr>
<tr>
<td>2021-</td>
<td>40</td>
</tr>
</tbody>
</table>
Levers we are working on to improve shareholder return at Cargotec

From turnaround to profitable growth
- focus currently on Hiab and Kalmar

Further improving operating profit margin

Further improving return on capital (ROCE)
- focus on further net working capital efficiency improvement

Strengthened balance sheet enables growth investments
Questions?