Q4 2013 road show in London
19-20 February 2014

Executive Vice President and CFO Eeva Sipilä
Cargotec in brief
Cargotec’s business basics

Cargotec sales split in 2013

Geographical split of sales in 2013

Services share of sales in 2013

Order to delivery lead time

- **Cargotec**
  - EMEA
  - APAC
  - AMER
  - Services share: 18%
  - Order lead time: 12-24 months

- **MacGregor**
  - EMEA
  - APAC
  - AMER
  - Services share: 25%
  - Order lead time: 6-9 months

- **Kalmar**
  - EMEA
  - APAC
  - AMER
  - Services share: 27%
  - Order lead time: 2-4 months

- **Hiab**
  - EMEA
  - APAC
  - AMER
  - Services share: 18%
  - Order lead time: 2-4 months
Key competitors

- Palfinger
- Fassi
- HMF
- Hyva
- Terberg Kinglifter

- ZPMC
- Konecranes
- Terex/Gottwald
- Sany
- Liebherr

- TTS
- SMS
- German Lashing
- SEC
- Mitsubishi HI
- IHI
- Navalimpianti

- NOV
- Rolls-Royce
- Huisman
- Liebherr
Cargotec’s must-win battles

- Turning Hiab’s high business potential into profitability
- Building the MacGregor growth platform with the successful integration of acquisitions
- Ensuring Kalmar’s competitiveness and profitability in mobile equipment
- Profitable future growth in services in Kalmar and MacGregor
- Building Kalmar as a sustainable leader in container handling automation
Cargotec financial targets

2014

- Due to on-going turnaround activities focus in short-term profit improvement
- 40 MEUR run-rate improvement by end of 2014 on 2013 EBIT both in Kalmar and Hiab
- MacGregor’s EBIT impacted by slow recovery in merchant ship market, delivery mix as well as M&A related integration costs

Long-term financial targets

- Gearing below 50 percent
- Dividend 30–50 percent of earnings per share
- Cargotec will revert to longer term profitability and return targets during 2014

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Driving for better performance
Cargotec road map

Phase 1
Reconfirm and execute key improvement initiatives

Phase 2
Drive ‘on par’ performance

Phase 3
Drive superior performance and competences in focused portfolio

2013 → 2014 → 2015
Kalmar improvement initiatives

2012
- Organisational efficiency and refocused R&D
- Project delivery capability development

2013
- Ramp-up of Poland multi-assembly unit
- Development of service business
- 20 M savings in 2013

2014
- Ramp-up of production in Rainbow Cargotec Industries joint venture
- Further development of integrated port automation solutions
- Improvements in design-to-cost
- Aiming at further 40M run rate improvement by end 2014

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Hiab improvement initiatives

2012
- Route-to-market immediate improvements
- Footprint, incl. ramp-up of Poland multi-assembly unit

2013
- Efficiency improvement
- Improvements in design-to-cost
- Development of new products
- 3M savings in 2013

2014
- Development of route-to-market
- 15M gross margin improvement
- Aiming at further 40M run rate improvement by end 2014
MacGregor improvement initiatives

2012
- Development of offshore footprint
- Organisational and operational efficiency

2013
- 4M savings in 2013
- Development of service business
- Organic growth in offshore
- Growth through acquisitions

2014
- Listing preparations

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Merchant ship contracting forecast

Contracting 2001-2017

Deliveries 2001-2017

Source: Clarkson Shipbuilding forecast, September 2013
Offshore ship contracting forecast

Offshore contracting, historical and forecast contracting (no)

Source: Clarkson Offshore forecast, September 2013
Strong market leadership positions

Merchant
Hatch covers
Container lashing
Cranes and selfunloaders
RoRo

Offshore
Offshore advanced load handling
Offshore winches
Services

RoRo = roll-on/roll-off
Feb 2014
Focus on integrated systems and solutions

### Comprehensive product coverage

<table>
<thead>
<tr>
<th>Merchant ships</th>
<th>Cranes</th>
<th>Hatch covers</th>
<th>RoRo equipment</th>
<th>Offshore cranes</th>
<th>Winches</th>
<th>Mooring systems</th>
<th>Service</th>
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<tbody>
<tr>
<td>Bulk carrier</td>
<td>X</td>
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<td>General cargo ship</td>
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<td>RoRo ship</td>
<td>X</td>
<td>X</td>
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<td>X</td>
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<td>Tanker</td>
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<td>Trans-loader</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Offshore ships</td>
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<tr>
<td>OFS subsea</td>
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<tr>
<td>OFS AHTS</td>
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<tr>
<td>OFS tug</td>
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<td></td>
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<td>X</td>
<td>X</td>
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<td>X</td>
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<tr>
<td>New ship types</td>
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</tr>
</tbody>
</table>

RoRo=roll-on/roll-off, OFS=offshore, AHTS=anchor handling, towing, supply

Feb 2014 17

Existing X Via Hatlapa & Pusnes
What to expect from MacGregor in 2014

- Focus on larger systems sales
  - With increasing order lumpiness

- Greater emphasis on service

- Managing the lag between ship orders and equipment sales

- Increasing order rates for merchant and offshore

- Capturing Hatlapa synergies
  - Procurement
  - Cross-selling with MacGregor

---

**Ship order & Deliver cycle**

- Inquiry
- Negotiate
- Ship order
- Design & Build

**Equipment order & Deliver cycle**

- Inquiry
- Negotiate
- Design & Build

- Duration:
  - 4–8m
  - 10–22m
  - 13–26m
Hatlapa strengthens merchant and offshore offering

- Attractive deal structure
  - Enterprise value of EUR 160 million
- Annual revenue of ~EUR 120 million
  - 75% merchant
  - 25% offshore
- Expands product coverage in key categories
  - Merchant and offshore winches
  - Offshore automated deck handling (Triplex MDH)
  - Support equipment
- Supports expansion of integrated systems sales
  - Cross selling with MacGregor and Pusnes merchant ship equipment and offshore load handling and mooring equipment
- ~585 new team members bring strong application and customer knowledge
  - Merchant ship winch operations
  - Deepwater automated load handling
  - Service

Hatlapa offshore package

Mooring winches
Pusnes solidifies offshore product portfolio

- Attractive deal structure
  - Enterprise value of ~EUR 180 million
  - Subject to regulatory approvals
- Annual revenue of ~EUR 130 million
  - 25% merchant
  - 75% offshore
- Expands product coverage in key offshore categories
  - Offshore mooring and loading systems
- Supports expansion of integrated systems sales
  - Combined offshore package sales with MacGregor and Hatlapa offshore load handling and mooring equipment
  - Broadening geographical presence in merchant ship
- ~370 new team members bring deep application and customer knowledge
  - Deep water, harsh environment mooring and load handling
  - Service
Kalmar
Kalmar businesses and offering

Terminal projects 35%

Equipment 40%

Services 25%

Feb 2014
Kalmar is in a growing business – global container throughput

<table>
<thead>
<tr>
<th>Year</th>
<th>TEU '000</th>
<th>EMEA</th>
<th>AMER</th>
<th>APAC</th>
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<tbody>
<tr>
<td>2012</td>
<td>622,602</td>
<td>203,799</td>
<td>211,886</td>
<td>207,921</td>
</tr>
<tr>
<td>2013</td>
<td>643,748</td>
<td>215,462</td>
<td>212,703</td>
<td>215,582</td>
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<tr>
<td>2014</td>
<td>672,069</td>
<td>226,708</td>
<td>219,592</td>
<td>225,77</td>
</tr>
<tr>
<td>2015</td>
<td>707,701</td>
<td>238,523</td>
<td>224,312</td>
<td>244,866</td>
</tr>
<tr>
<td>2016</td>
<td>749,410</td>
<td>250,325</td>
<td>234,315</td>
<td>264,770</td>
</tr>
<tr>
<td>2017</td>
<td>795,425</td>
<td>262,237</td>
<td>244,317</td>
<td>288,871</td>
</tr>
</tbody>
</table>

Source: Drewry 2013
Industry trends for Kalmar

- Ships are getting bigger
- Availability and cost of labour
- Sustainability is port operations
- Safety
- Industry consolidation
Strong future growth expected for automation solutions (TOS 200 MEUR excluded)

Global automation market
(equipment, system and process)
€1.5B
Kalmar has a leading position in port automation

- First fully automated straddle carrier terminal
- Strategic acquisitions
- Technology Centre in Tampere
- On-going mega terminal projects
- More than hundred SmartPort process automation deployments
- Navis market share in TOS about 20%
Kalmar is well equipped to respond to the industry trends and grow profitably

- Good products as foundation
- Unique automation offering
- Strong focus on services
  - Modular services products
  - Crane refurbishment
Hiab offering

Loader cranes

Truck-mounted forklifts

Demountables

Tail lifts

Forestry cranes

Stiff boom cranes

Services
Macro indicator trends – truck sales (GVW >15 tn)

Source: IHS Global Insight, Q4/2013 fcst

Feb 2014
Macro indicator trends – construction output

Growth (%)

Source: Oxford Economics, Q4/2013
Hiab strategic priorities 2014

- Deliver profitability improvement and cost reduction in all areas of Hiab
- Drive professional sales and price management and distribution footprint
- Drive design to cost and new product introductions
- Build cost control and performance culture
## Actions started in 2013 in Markets

| 1. Route-to-market | ▪ 40% of our distribution set-up will change  
▪ Improvements in service network profitability |
|--------------------|----------------------------------------------------------------------------------|
| 2. Organisation    | ▪ Reduction of complexity  
▪ Centralisation of key support functions |
| 3. Pricing         | ▪ Better price management and clear escalation model  
▪ Improvement in spare parts pricing |
| 4. Cost control    | ▪ Reduction of indirect and over head costs |
| 5. Sales enablers  | ▪ Performance management  
▪ Central dealer management |
Improving margins by reducing costs

- Design-to-cost process started in all product lines in 2013
  - Supplier consolidation
  - Changes in design

- No in-house component production
  - Outsourcing completed in Hudiskvall, Sweden and Dundalk, Ireland

- Global sourcing footprint moving from high cost to low cost countries

- Average material cost reduction of 5–10 percent

- Product portfolio streamlining

- Numerous new products
January–December financials
Highlights of Q4

- Orders grew 35% y-o-y and totalled EUR 958 (710) million
- Sales at EUR 914 (890) million, up 3% y-o-y
- Operating profit excluding restructuring costs was EUR 38.6 (39.9) million or 4.2 (4.5)% of sales
- Operating profit was EUR 15.3 (14.2) million
- Cash flow from operations increased to EUR 133.9 (90.7) million
- Dividend proposal EUR 0.42/B share
- Acquisition of Aker Solutions’ mooring and loading systems unit closed in January 2014
## January–December key figures

<table>
<thead>
<tr>
<th></th>
<th>Q4/13</th>
<th>Q4/12</th>
<th>Change</th>
<th>Q1-Q4/13</th>
<th>Q1-Q4/12</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>958</td>
<td>710</td>
<td>35%</td>
<td>3,307</td>
<td>3,058</td>
<td>8%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>1,980</td>
<td>2,021</td>
<td>-2%</td>
<td>1,980</td>
<td>2,021</td>
<td>-2%</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>914</td>
<td>890</td>
<td>3%</td>
<td>3,181</td>
<td>3,327</td>
<td>-4%</td>
</tr>
<tr>
<td>Operating profit, MEUR*</td>
<td>38.6</td>
<td>39.9</td>
<td>-3%</td>
<td>126.5</td>
<td>157.5</td>
<td>-20%</td>
</tr>
<tr>
<td>Operating profit margin, %*</td>
<td>4.2</td>
<td>4.5</td>
<td></td>
<td>4.0</td>
<td>4.7</td>
<td></td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>133.9</td>
<td>90.7</td>
<td></td>
<td>181.1</td>
<td>97.1</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>578</td>
<td>478</td>
<td></td>
<td>578</td>
<td>478</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.12</td>
<td>0.15</td>
<td></td>
<td>0.89</td>
<td>1.45</td>
<td></td>
</tr>
</tbody>
</table>

* excluding restructuring costs
Performance development

Operating profit*
Operating profit%*

Orders
Sales

Orders: Q4/12 - 710 MEUR, Q1/13 - 890 MEUR, Q2/13 - 958 MEUR, Q3/13 - 914 MEUR
Sales: Q4/12 - 710 MEUR, Q1/13 - 890 MEUR, Q2/13 - 958 MEUR, Q3/13 - 914 MEUR

Operating profit: Q4/12 - 39.9 MEUR, Q1/13 - 4.5 MEUR, Q2/13 - 4.2 MEUR, Q3/13 - 38.6 MEUR
Operating profit%: Q4/12 - 4.5%, Q1/13 - 38.6%

* excluding restructuring costs
MacGregor Q4 – strong orders

- Merchant ship market continued to recover, although uncertainty in the industry continued, as demonstrated by the volatility in market activity
- Offshore market remained active
- Order intake grew 86% y-o-y to EUR 361 (194) million
- Sales declined 8% y-o-y to EUR 218 (238) million
  - Hatlapa’s contribution EUR 18 million
- Profitability 6.6% (excluding restructuring)
  - Negative impact of Hatlapa EUR 2.3 million
  - EUR 4.5 million of acquisition related costs

* excluding restructuring costs
Kalmar Q4 – profitability improvement on track

- Demand for smaller container handling equipment and automation solutions was healthy, while demand for larger equipment picked up during the year.

- Order intake grew 14% y-o-y to EUR 357 (313) million.

- Sales grew 12% y-o-y to EUR 468 (417) million.

- Profitability excluding restructuring costs was 5.5%.
  - Additional costs and cost provisions of EUR 10 million in projects (2013: 34 MEUR).

- Year-end order book includes EUR 60 million of problem projects.
The load handling equipment and services market was flat, and characterised by demand variations within European countries. Demand was healthy in the US.

Orders grew 19% y-o-y and totalled EUR 241 (203) million.

Sales declined 3% y-o-y to EUR 229 (235) million.

Profitability excluding restructuring costs was 1.7%.

Write-downs of working capital items burdened operating profit EUR 4 million.

Route-to-market and other efficiency improvement actions proceeded well. Operating loss includes EUR 16.9 (10.0) million in restructuring costs.
Cash flow from operations strengthened clearly
Sales in services grew from the previous quarters
Sales by reporting and geographical segment

Sales by reporting segment 2013, %
- Equipment: 82 (84)%
- Services: 18 (16)%

Sales by geographical segment 2013, %
- Americas: 25% (24)
- APAC: 44% (41)
- EMEA: 31% (35)

MacGregor 49% (45)
Kalmar 26% (25)
Hiab 25% (30)
Outlook

- Cargotec’s 2014 sales are expected to grow from 2013.

- Operating profit excluding restructurings costs for 2014 is expected to improve from 2013.

- The acquisition of the Aker Solution’s mooring and loading systems unit was completed 30 January 2014. Consolidation of the acquisition does not impact Cargotec’s above-mentioned outlook for 2014.