Handelsbanken Mid/Small cap seminar, Stockholm 2014

Executive Vice President and CFO
Cargotec’s business areas

**MacGregor**
- MacGregor offers integrated cargo flow solutions for maritime transportation and offshore industries
- Global company with facilities near ports worldwide
- Wide offering for ships, ports and terminals and offshore industry

**Kalmar**
- Kalmar offers the widest range of cargo handling solutions and services to ports, terminals, distribution centres and heavy industry
- Industry forerunner in terminal automation and in energy efficient container handling

**Hiab**
- Hiab is the global market leading brand in on-road load handling solutions
- Load handling solutions are used in various sectors of on land transport and delivery, including construction, distribution, forestry, warehousing, waste and recycling, and defence

June 2014
Cargotec’s business basics

Cargotec sales split in 1-3/2013

Geographical split of sales in 1-3/2014

Services share of sales in 1-3/2014

Order to delivery lead time

Cargotec geographical split of sales in 1-3/2014

EMEA

APAC

AMER

MACGREGOR

AMER

EMEA

APAC

23 %

12-24 months

KALMAR

AMER

EMEA

APAC

29 %

6-9 months

HIAB

AMER

EMEA

APAC

23 %

2-4 months

June 2014
Focus on integrated systems and solutions

Comprehensive product coverage

<table>
<thead>
<tr>
<th></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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<td>Bulk carrier</td>
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<td>Tanker</td>
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<td>OFS subsea</td>
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<td>OFS tug</td>
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<td>New ship types</td>
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</table>

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

June 2014

Existing X Via Hatlapa & MLS
Integration of acquisitions ongoing in MacGregor

- Hatlapa consolidated in segment as of 1 Nov 2013 and MLS as of 1 Feb 2014

- MacGregor is seeking significant synergy gains that will improve profitability
  - The impact is dependent on the efficiency and speed of the integration
  - Synergy gains will be mainly be realised from new sales and efficiency improvement in supply chain
    - Due to long lead times in the business, the impact of new sales and supply chain synergies will become more visible in profitability from 2015

- In 2014, MacGregor targets new orders for a total value exceeding EUR 50 million with the new combined offering
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%

June 2014
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

June 2014
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

June 2014
Improving margins by reducing costs in Hiab

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

- No in-house component production
  - Outsourcing completed in Hudiksvall, 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

June 2014
Range of services we provide

Parts & logistics
Cranes services
Dry-docking services
Installations
Repairs & maintenance
Rental & pre-owned equipment
Modernisation & conversions
Accessories

June 2014
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
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

June 2014
January–March financials
## January–March key figures

<table>
<thead>
<tr>
<th></th>
<th>Q1/14</th>
<th>Q1/13</th>
<th>Change</th>
<th>2013</th>
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</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>863</td>
<td>791</td>
<td>9%</td>
<td>3,307</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>2,111</td>
<td>2,203</td>
<td>-4%</td>
<td>1,980</td>
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<tr>
<td>Sales, MEUR</td>
<td>751</td>
<td>679</td>
<td>11%</td>
<td>3,181</td>
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<tr>
<td>Operating profit, MEUR*</td>
<td>24.6</td>
<td>15.0</td>
<td>65%</td>
<td>126.5</td>
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<tr>
<td>Operating profit margin, %*</td>
<td>3.3</td>
<td>2.2</td>
<td>4.0</td>
<td></td>
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<tr>
<td>Cash flow from operations, MEUR</td>
<td>32.5</td>
<td>21.2</td>
<td>180.9</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>824</td>
<td>506</td>
<td>578</td>
<td></td>
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<tr>
<td>Earnings per share, EUR</td>
<td>0.20</td>
<td>0.10</td>
<td>0.89</td>
<td></td>
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</tbody>
</table>

*excluding restructuring costs

June 2014
MacGregor Q1 – delivery mix as well as acquisition related depreciation, amortisation and one-off costs burdened profitability

- Order intake grew 50% y-o-y to EUR 315 (209) million
  - Contribution of acquired businesses EUR 64 million

- Demand and supply in shipping remain unstable, causing uncertainty about future levels of activity in marine cargo handling market

- Offshore market remained active throughout the quarter and outperformed the merchant ship market

- Services showed some signs of recovery

- Sales grew 32% y-o-y to EUR 217 (165) million
  - Contribution of acquired businesses EUR 49 million

- Profitability 3.6% (excluding restructuring)
  - Larger share of offshore business as well as low delivery volume in merchant ship segment
  - PPA depreciation and amortisation EUR 2.1 million (approx. EUR 10 million annually) and other one-time cost EUR 1.8 million
  - One-time acquisition costs EUR 1.2 million

June 2014
Kalmar Q1 – profitability improved despite cost overruns in projects

- Demand for container handling equipment and automation solutions in ports was stable
- In Europe and the Americas, demand was healthy while in Asia customers hesitated in investment decisions
- Demand for services was healthy
- Order intake fell 10% y-o-y to EUR 330 (366) million
- Sales were at comparison period’s level at EUR 327 (323) million
- Profitability excluding restructuring costs was 3.4%
  - Additional costs of EUR 9 million mainly in one ship-to-shore crane project dating to 2012 (Q1 2013: 5 MEUR)
- Period-end order book includes EUR 35 million of problem projects
Hiab Q1 – efficiency improvement actions improved profitability

- Demand for load handling equipment was flat. Demand was highest for truck-mounted forklifts and tail lifts.
- Demand for services was healthy
- Orders were at comparison period’s level at EUR 218 (216) million
- Sales grew 8% y-o-y to EUR 208 (192) million
- Profitability excluding restructuring costs was 6.4%
  - Improvement in gross margin and service business profitability as well as sales and service network rationalisation began to be reflected in profitability
Outlook unchanged

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

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