Carnegie Nordic Capital Goods Seminar

5 March 2015

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

Cargotec sales split in 2014

- MacGregor: 44%
- Kalmar: 31%
- Hiab: 25%

Geographical split of sales in 2014

**MacGregor**
- EMEA: 22%
- APAC: 27%
- AMER: 22%

**Kalmar**
- EMEA: 27%
- APAC: 27%
- AMER: 27%

**Hiab**
- EMEA: 23%
- APAC: 23%
- AMER: 23%

Services share of sales in 2014

- MacGregor: 22%
- Kalmar: 27%
- Hiab: 23%

Order to delivery lead time

- MacGregor: 12-24 months
- Kalmar: 6-9 months
- Hiab: 2-4 months
## January–December key figures

<table>
<thead>
<tr>
<th></th>
<th>Q4/14</th>
<th>Q4/13</th>
<th>Change</th>
<th>Q1-Q4/14</th>
<th>Q1-Q4/13</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>914</td>
<td>958</td>
<td>-5%</td>
<td>3,599</td>
<td>3,307</td>
<td>9%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>2,200</td>
<td>1,980</td>
<td>11%</td>
<td>2,200</td>
<td>1,980</td>
<td>11%</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>963</td>
<td>914</td>
<td>5%</td>
<td>3,358</td>
<td>3,181</td>
<td>6%</td>
</tr>
<tr>
<td>Operating profit, MEUR*</td>
<td>71.5</td>
<td>38.6</td>
<td>85%</td>
<td>149.3</td>
<td>126.5</td>
<td>18%</td>
</tr>
<tr>
<td>Operating profit margin, %*</td>
<td>7.4</td>
<td>4.2</td>
<td>4.4</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>84.0</td>
<td>133.9</td>
<td></td>
<td>204.3</td>
<td>180.9</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>719</td>
<td>578</td>
<td></td>
<td>719</td>
<td>578</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.63</td>
<td>0.12</td>
<td></td>
<td>1.11</td>
<td>0.89</td>
<td></td>
</tr>
</tbody>
</table>

*excluding restructuring costs
Container throughput forecast illustrates that Kalmar is in a growth business.

Source: Drewry: Container forecaster Q3 2014 and Q4 2014, Base case, January 2015
Slow recovery in merchant shipping

Long-term contracting 2002–2023

World fleet additions 2002–2026

Source: Clarkson Newbuilding Market Forecast, September 2014

x4 Magnitude of expansion / contraction in ship numbers
Despite reducing oil price offshore offers potential for MacGregor

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
Two-fold market environment for Hiab

Truck sales growth GVW over 15t, regions

EMEA Construction Output

Index 2005 = 100

y/y change (%)

AMER Construction Output

Index 2005 = 100

y/y change (%)

Source: IHS Global Insight Q1/2015 forecast
Cargotec’s must wins 2014–2015

- Driving Hiab to best in class profitability and capital return
- Driving MacGregor profitability over the cycle through better effectiveness
- Safeguarding competitiveness in mobile equipment in Kalmar
- Driving services offering development and growth in MacGregor and Kalmar
- Driving growth in automation in Kalmar
# Cargotec financial targets for 2016

<table>
<thead>
<tr>
<th>Target</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit margin (EBIT)</td>
<td>&gt;8%</td>
</tr>
<tr>
<td>Return on capital employed (ROCE pre-tax)</td>
<td>&gt;13%</td>
</tr>
<tr>
<td>Gearing</td>
<td>&lt;50%</td>
</tr>
<tr>
<td>Dividend</td>
<td>30–50% or earnings per share</td>
</tr>
</tbody>
</table>
Enabling better performance

- Building world class business platforms
- Performance culture
- Better control, predictability and capital returns
- Embracing digitalisation