Q4 2015 Edinburgh road show

23 February 2016

Executive Vice President, CFO Eeva Sipilä
Cargotec in brief
Today’s leader in cargo handling equipment

Cargotec Group
Sales: EUR 3,729 million
EBIT: 6.2%
Services: 24%

Kalmar
45% of sales
EBIT: 7.8%
Services: 26%

Hiab
25% of sales
EBIT: 10.8%
Services: 23%

MacGregor
30% of sales
EBIT: 2.6%
Services: 20%

Geographical split of sales in 2015

Figures: 2015
EBIT % excluding restructuring costs

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Key competitors

MacGregor

Kalmar

Hiab
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
Investing in our transformation to be the leader in intelligent cargo handling

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

Build world-class services offering

Lead digitalisation

Build world-class leadership
Committed to improve shareholder return

<table>
<thead>
<tr>
<th>Business area targets</th>
<th>Operating profit margin (EBIT) in each business area over the cycle</th>
<th>Growth Faster than market growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10%</td>
<td></td>
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<table>
<thead>
<tr>
<th>Group targets</th>
<th>Gearing</th>
<th>Return on capital employed over the cycle (ROCE pre-tax)</th>
<th>Dividend</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>&lt;50%</td>
<td>15%</td>
<td>30-50%</td>
</tr>
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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
Container throughput forecasted to grow year on year

Source: Drewry: Global Container Terminal Operators Annual Report 2015; Drewry Container forecaster Q4 2015
Kalmar has 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.

EUR 7.5 billion

EUR 7.6 billion
Kalmar’s profit improvement potential 2016-2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Automation</th>
<th>Software</th>
<th>Mobile equipment</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>Project delivery capability development</td>
<td>Expand software business</td>
<td>Continuous improvements in design-to-cost and sourcing</td>
<td>Excel in spare parts</td>
</tr>
<tr>
<td>2016</td>
<td>Expand Rainbow Cargotec Industries (China) joint venture offering</td>
<td></td>
<td>Strengthen distribution network</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>Further development of integrated port automation solutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Total 60-100 EUR million improvement potential

- Automation: +20-30 EUR million
- Software: +10-20 EUR million
- Mobile equipment: +20-30 EUR million
- Services: +10-20 EUR million
Kalmar’s 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
Construction output driving growth opportunity

Hiab has strong positions in attractive markets

<table>
<thead>
<tr>
<th></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>
Hiab’s key growth drivers are:

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cranes</td>
<td>Gain market share in <strong>big loader cranes</strong> and crane <strong>core markets</strong></td>
</tr>
<tr>
<td>Tail lifts</td>
<td>Enter fast growing <strong>emerging markets</strong> and standardise and globalise <strong>business model</strong></td>
</tr>
<tr>
<td>Truck-mounted forklifts</td>
<td>Accelerate <strong>penetration</strong> in North America and Europe</td>
</tr>
<tr>
<td>Services</td>
<td>Increase <strong>spare parts capture rates</strong> driven by connectivity and e-commerce</td>
</tr>
</tbody>
</table>

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Hiab’s 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
MacGregor
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>
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</thead>
<tbody>
<tr>
<td>Avg</td>
<td>5,000</td>
<td>5,500</td>
</tr>
<tr>
<td>2006</td>
<td>4,000</td>
<td>4,500</td>
</tr>
<tr>
<td>2008</td>
<td>3,000</td>
<td>3,500</td>
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<tr>
<td>2010</td>
<td>2,000</td>
<td>2,500</td>
</tr>
<tr>
<td>2012</td>
<td>1,000</td>
<td>1,500</td>
</tr>
<tr>
<td>2014</td>
<td>1,000</td>
<td>1,500</td>
</tr>
<tr>
<td>2016</td>
<td>1,000</td>
<td>1,500</td>
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<tr>
<td>2018</td>
<td>1,000</td>
<td>1,500</td>
</tr>
<tr>
<td>2020</td>
<td>1,000</td>
<td>1,500</td>
</tr>
<tr>
<td>2022</td>
<td>1,000</td>
<td>1,500</td>
</tr>
<tr>
<td>2024</td>
<td>1,000</td>
<td>1,500</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>
</tr>
</thead>
<tbody>
<tr>
<td>Avg</td>
<td>400</td>
<td>500</td>
</tr>
<tr>
<td>2014</td>
<td>500</td>
<td>600</td>
</tr>
<tr>
<td>2015</td>
<td>400</td>
<td>500</td>
</tr>
<tr>
<td>2016</td>
<td>300</td>
<td>400</td>
</tr>
<tr>
<td>2017</td>
<td>200</td>
<td>300</td>
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<tr>
<td>2018</td>
<td>100</td>
<td>200</td>
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<tr>
<td>2019</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>2020</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>2021</td>
<td>100</td>
<td>200</td>
</tr>
</tbody>
</table>

Sources: UNCTAD, Clarkson Research

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MacGregor has 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 MacGregor 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
MacGregor’s asset-light business model gives flexibility

Cost-efficient scaling

85% of manufacturing outsourced

30% of design and engineering capacity outsourced
MacGregor is 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
January–December financials
Highlights of 2015

- Market situation for Kalmar and Hiab healthy, but challenging for MacGregor
- Earnings per share doubled to EUR 2.21 (1.11)
- Order book decreased to EUR 2,064 (2,200) million
- Sales grew 11% y-o-y- to EUR 3,729 (3,358) million
- Operating profit excluding restructuring costs was EUR 230.7 (149.3) million or 6.2 (4.4)% of sales
- Operating profit was EUR 213.1 (126.6) million
- Cash flow from operations strong at EUR 314.6 (204.3) million, gearing at 46.4%
- New strategy – aim to become the leader in intelligent cargo handling
Highlights of the fourth quarter

- Good profit development continued in Kalmar and Hiab

- MacGregor profit burdened by indirect costs and EUR 11 million settlement

- Orders received totalled EUR 824 (914) million

- Sales at EUR 977 (963) million

- Operating profit excluding restructuring costs was EUR 52.1 (71.5) million or 5.3 (7.4)% of sales

- Operating profit was EUR 45.0 (63.0) million

- Cash flow from operations was EUR 87.3 (84.0) million
Market environment in 2015

- Demand for container handling equipment, and services as well as interest for automation solutions was active.
- Demand for Kalmar industrial and logistical solutions was healthy especially in the US.
- Market for load handling equipment was strong in the US, and healthy in Europe varying significantly between countries.
- Market for marine cargo handling equipment was weak.
  - Demand for cargo handling equipment for large container ships improved during H2, demand for cargo handling solutions for bulk carriers and offshore vessels was low.
  - Demand for RoRo and special vessel related cargo handling equipment was healthy.
### Key figures

<table>
<thead>
<tr>
<th></th>
<th>10-12/15</th>
<th>10-12/14</th>
<th>Change</th>
<th>1-12/15</th>
<th>1-12/14</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>824</td>
<td>914</td>
<td>-10%</td>
<td>3,557</td>
<td>3,599</td>
<td>-1%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>2,064</td>
<td>2,200</td>
<td>-6%</td>
<td>2,064</td>
<td>2,200</td>
<td>-6%</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>977</td>
<td>963</td>
<td>1%</td>
<td>3,729</td>
<td>3,358</td>
<td>11%</td>
</tr>
<tr>
<td>Operating profit, MEUR*</td>
<td>52.1</td>
<td>71.5</td>
<td>-27%</td>
<td>230.7</td>
<td>149.3</td>
<td>55%</td>
</tr>
<tr>
<td>Operating profit margin, %*</td>
<td>5.3</td>
<td>7.4</td>
<td></td>
<td>6.2</td>
<td>4.4</td>
<td></td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>87.3</td>
<td>84.0</td>
<td></td>
<td>314.6</td>
<td>204.3</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>622</td>
<td>719</td>
<td></td>
<td>622</td>
<td>719</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.55</td>
<td>0.63</td>
<td></td>
<td>2.21</td>
<td>1.11</td>
<td></td>
</tr>
</tbody>
</table>

*excluding restructuring costs
Kalmar Q4 – high deliveries but mix and R&D affected margin q-o-q

- Order intake increased 4% y-o-y to EUR 395 (378) million
- Order book strengthened 9% from 2014 year-end
- Sales grew 4% y-o-y to EUR 468 (452) million
- Profitability excluding restructuring costs was 7.7%

*excluding restructuring costs
Hiab Q4 – strong development in all areas

- Orders grew 8% y-o-y to EUR 250 (232) million
- Order book strengthened 15% from 2014 year-end
- Sales grew 18% y-o-y to EUR 249 (211) million
- Profitability excluding restructuring costs was 12.3%
MacGregor Q4 – profit burdened by indirect costs

- Order intake declined 41% y-o-y to EUR 180 (304) million
- Order book decreased 22% from 2014 year-end to EUR 883 million
- Sales declined 14% y-o-y to EUR 259 (301) million
- Profitability excluding restructuring costs was -2.8%
  - Restructuring costs EUR 6.4 million
  - Relatively higher indirect costs
  - EUR 11 million settlement
- Benefits from the restructuring measures not yet visible
Cash flow from operations solid throughout the year

MEUR


-50 0 50 100 150 200 250 300 350

315 134 84 87
Balanced geographical mix in sales

Sales by reporting segment 2015, %
- Equipment 80 (78)%
- Services 20 (22)%

Sales by geographical segment 2015, %
- Equipment 74 (73)%
- Services 26 (27)%

- EMEA
- APAC
- Americas
Sales by geographical segment by business area 2015

Kalmar
- Americas 36% (34)
- EMEA 42% (47)
- APAC 22% (19)

Hiab
- Americas 42% (38)
- EMEA 48% (51)
- APAC 10% (11)

MacGregor
- Americas 6% (9)
- EMEA 29% (30)
- APAC 65% (61)
**Earnings per share and dividend (B share)**

![Graph showing earnings per share and dividend from 2006 to 2015. The graph includes EPS and Dividend data for each year, with percentage changes indicated for the dividend. The dividend proposal by the Board of Directors is also noted for certain years.]

*Dividend proposal by the Board of Directors*
2015 demonstrated clear turnaround in key financial metrics

ROCE, annualised
*excluding restructuring costs
2016 outlook

- Cargotec’s 2016 sales are expected to be at the 2015 (EUR 3,729 million) level or slightly below.

- Operating profit excluding restructuring costs for 2016 is expected to improve from 2015 (EUR 230.7 million).