Q1 2016 Milan road show – 25 May 2016

President and CEO Mika Vehviläinen
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

May 2016
Key competitors

Kalmar
- ZPMC
- KONECRANES
- TEREX
- SANY
- LIEBHERR
- ABB

Hiab
- PALFINGER
- FASSI
- HMF
- HYVA
- TERBERG KINGLIFTER

MacGregor
- TTS
- SMS
- SEC
- GERMAN LASHING
- IHI
- MITSUBISHI
- NAVALIPIANTI GROUP
- Rolls-Royce
- Huisman
- LIEBHERR

May 2016
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 |

May 2016
Must-win battles to support transformation

- Build world-class services offering
- Lead digitalisation
- Build world-class leadership
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

<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>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;50%</td>
<td>15%</td>
<td>30-50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>of earnings per share</td>
</tr>
</tbody>
</table>

May 2016
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
Kalmar
Container throughput forecasted to grow year on year

Source: Drewry: Global Container Terminal Operators Annual Report 2015** & Container forecaster Q1 2016*
Kalmar has strong position in attractive segments

<table>
<thead>
<tr>
<th></th>
<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>
<td></td>
</tr>
<tr>
<td>Mobile equipment</td>
<td>#1</td>
<td>➔</td>
<td>EUR 7.5 billion</td>
</tr>
<tr>
<td>Bromma</td>
<td>#1</td>
<td>➔</td>
<td></td>
</tr>
<tr>
<td>Navis</td>
<td>#1</td>
<td>➔</td>
<td>EUR 7.6 billion</td>
</tr>
<tr>
<td>Services</td>
<td>#1</td>
<td>➔</td>
<td></td>
</tr>
</tbody>
</table>

Over 80% of Kalmar business is in ports and terminals.
Kalmar’s profit improvement potential 2016-2018

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

Total 60-100 EUR million improvement potential

- Project delivery capability development: +20-30 EUR million
- Expand Rainbow Cargotec Industries (China) joint venture offering: +10-20 EUR million
- Further development of integrated port automation solutions: +20-30 EUR million
- Continuous improvements in design-to-cost and sourcing: +10-20 EUR million
- Strengthen distribution network: +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

EMEA construction output
y/y change (%)

AMER construction output
y/y change (%)

Hiab has strong positions in attractive markets

<table>
<thead>
<tr>
<th>Product</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>

GDP: Gross Domestic Product
GDP+: GDP with growth
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 big loader cranes and crane core markets</td>
</tr>
<tr>
<td>Tail lifts</td>
<td>Enter fast growing emerging markets and standardise and globalise business model</td>
</tr>
<tr>
<td>Truck-mounted forklifts</td>
<td>Accelerate penetration in North America and Europe</td>
</tr>
<tr>
<td>Services</td>
<td>Increase spare parts capture rates driven by connectivity and e-commerce</td>
</tr>
</tbody>
</table>
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
Merchant shipping and offshore markets currently challenging

Long-term contracting 2005–2025
Merchant ships > 2,000 gt

Long-term contracting 2012–2022
Mobile offshore units

Sources: UNCTAD, Clarkson Research, March 2016

May 2016
MacGregor has strong positions in both the marine and offshore market

**Marine**
- #1 Container lashing
- #1-2 Hatch covers
- #1 Cranes and selfunloaders
- #1 RoRo

**Offshore**
- #1 Offshore advanced load handling
- #2 Offshore winches
- #1 Mooring systems
- #1 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

Headcount reduced by 11%

Status 1.1.2015

Key position increases

Services branches restructuring

Uetersen restructuring

Norway and Singapore offshore divisions

Other restructuring

Status 1.1.2016
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–March financials
Highlights of the first quarter

- Market situation for Kalmar and Hiab healthy, but challenging for MacGregor
- Order book remained strong at EUR 2,095 million, orders received at EUR 903 (939) million
- Sales declined 7% y-o-y- to EUR 828 (889) million
- Operating profit excluding restructuring costs increased 12% and totalled EUR 58.5 (52.3) million or 7.1 (5.9)% of sales
- Operating profit was EUR 57.7 (51.3) million
- Cash flow from operations strong at EUR 90.8 (51.6) million, gearing at 45.3%
- INTERSCHALT acquisition
Market environment in the first quarter

- Demand for container handling equipment, and services as well as interest for automation solutions was healthy

- Market for load handling equipment was strong in the US, in Europe, market situation showed slight positive development

- Market for marine cargo handling equipment was weak
  - Demand for RoRo and special vessel related cargo handling equipment grew and was active
## First-quarter key figures

<table>
<thead>
<tr>
<th></th>
<th>1–3/16</th>
<th>1–3/15</th>
<th>Change</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>903</td>
<td>939</td>
<td>-4%</td>
<td>3,557</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>2,095</td>
<td>2,469</td>
<td>-15%</td>
<td>2,064</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>828</td>
<td>889</td>
<td>-7%</td>
<td>3,729</td>
</tr>
<tr>
<td>Operating profit, MEUR*</td>
<td>58.5</td>
<td>52.3</td>
<td>12%</td>
<td>230.7</td>
</tr>
<tr>
<td>Operating profit margin, %*</td>
<td>7.1</td>
<td>5.9</td>
<td></td>
<td>6.2</td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>90.8</td>
<td>51.6</td>
<td></td>
<td>314.6</td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>603</td>
<td>789</td>
<td></td>
<td>622</td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.61</td>
<td>0.56</td>
<td></td>
<td>2.21</td>
</tr>
</tbody>
</table>

*excluding restructuring costs
Kalmar Q1 – order intake continued strong

- Order intake at comparison period’s level or EUR 454 (455) million
- Order book strengthened 11% from 2015 year-end level to EUR 973 million
- Sales declined 7% y-o-y to EUR 367 (395) million due to the timing of the deliveries
- Profitability excluding restructuring costs was 7.0%
Hiab Q1 – strong development continued

- Orders grew 8% y-o-y to EUR 275 (256) million
- Order book strengthened 8% from 2015 year-end to EUR 328 million
- Sales grew 16% y-o-y to EUR 246 (212) million
- Profitability excluding restructuring costs was 13.2%
MacGregor Q1 – satisfactory profitability

- Order intake declined 24% y-o-y to EUR 173 (228) million
- Order book decreased 10% from 2015 year-end to EUR 795 million
- Sales declined 23% y-o-y to EUR 216 (282) million
- Profitability excluding restructuring costs was 4.2% supported by restructuring measures in 2015
Cash flow from operations strong
Balanced geographical mix in sales

Sales by reporting segment 1–3/2016, %
- Equipment 77 (78)%
- Services 23 (22)%

Sales by geographical segment 1–3/2016, %
- Equipment 71 (73)%
- Services 29 (27)%

- Kalmar
- Hiab
- MacGregor

- EMEA
- APAC
- Americas
Sales by geographical segment by business area 1–3/2016

Kalmar
- Americas 40% (37)
- EMEA 39% (42)
- APAC 21% (21)

Hiab
- Americas 44% (42)
- EMEA 47% (48)
- APAC 9% (10)

MacGregor
- Americas 8% (7)
- EMEA 29% (30)
- APAC 63% (63)
Positive development in key financial metrics continued

ROCE, annualised
*excluding restructuring costs

May 2016
2016 outlook unchanged

- 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).